STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

# APPLICATION FOR PERMIT TO DRILL

| 5. MINERAL LEASE NO: | 6. SURFACE: |
|---|---|
| ML 3355 | State |

1A. TYPE OF WORK: DRILL ☑ REENTER ☐ DEEPEN ☐

7. IF INDIAN, ALLOTTEE OR TRIBE NAME:

B. TYPE OF WELL: OIL ☐ GAS ☑ OTHER _____ SINGLE ZONE ☑ MULTIPLE ZONE ☐

8. UNIT or CA AGREEMENT NAME: CHAPITA WELLS UNIT

2. NAME OF OPERATOR: EOG RESOURCES, INC.

9. WELL NAME and NUMBER: CHAPITA WELLS UNIT 722-32

3. ADDRESS OF OPERATOR: P.O. BOX 1815 CITY VERNAL STATE UT ZIP 84078

PHONE NUMBER: (435) 789-0790

10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL (FOOTAGES) 641452X 4427863Y 39.990498 -109.343174

AT SURFACE: 2071 FSL 713 FEL 39.990914 LAT 109.343875 LON

AT PROPOSED PRODUCING ZONE: SAME

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 32 9S 23E S

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 54.4 MILES SOUTH OF VERNAL, UT

12. COUNTY: UINTAH

13. STATE: UTAH

| 15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) | 16. NUMBER OF ACRES IN LEASE: | 17. NUMBER OF ACRES ASSIGNED TO THIS WELL: |
|---|---|---|
| 713 | 640 | |
| **18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)** | **19. PROPOSED DEPTH:** | **20. BOND DESCRIPTION:** |
| 36 | 6,500 | NM 2308 |
| **21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):** | **22. APPROXIMATE DATE WORK WILL START:** | **23. ESTIMATED DURATION:** |
| 5202 GL | | 45 DAYS |

24. **PROPOSED CASING AND CEMENTING PROGRAM**

| SIZE OF HOLE | CASING SIZE, GRADE, AND WEIGHT PER FOOT | | | SETTING DEPTH | CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT |
|---|---|---|---|---|---|
| 17-1/2 | 13-3/8 | H-40 | 48# | 0-45 | SEE ATTACHED EIGHT POINT PLAN |
| 12-1/4 | 9-5/8 | J-55 | 36# | 45-2300 | SEE ATTACHED EIGHT POINT PLAN |
| 7-7/8 | 4-1/2 | N-80 | 11.6# | 2300-TD | SEE ATTACHED EIGHT POINT PLAN |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER

☑ COMPLETE DRILLING PLAN

☑ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER

☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Kaylene R. Gardner TITLE Sr. Regulatory Assistant

SIGNATURE [signature] DATE 11/10/2006

(This space for State use only)

API NUMBER ASSIGNED: 43-047-38862

**Approved by the Utah Division of Oil, Gas and Mining**

APPROVAL:

Date: 01-18-07

By: [signature]

(See Instructions on Reverse Side)

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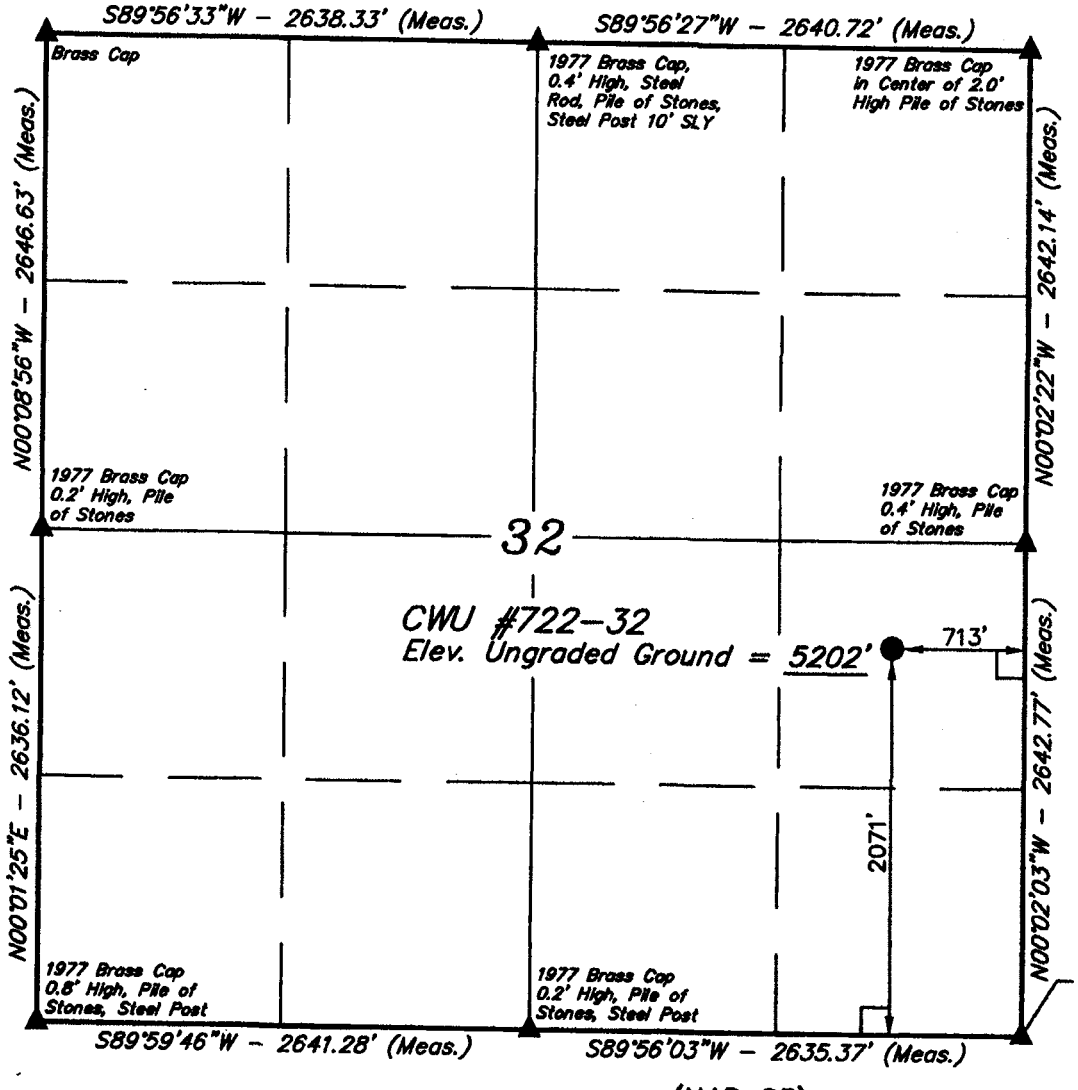
DIV. OF OIL, GAS & MINING

(11/2001)

# T9S, R23E, S.L.B.&M.




(NAD 83)
LATITUDE = 39°59'27.29" (39.990914)
LONGITUDE = 109°20'37.95" (109.343875)
(NAD 27)
LATITUDE = 39°59'27.41" (39.990947)
LONGITUDE = 109°20'35.51" (109.343197)

LEGEND:

└ = 90° SYMBOL
● = PROPOSED WELL HEAD.
▲ = SECTION CORNERS LOCATED.

## EOG RESOURCES, INC.

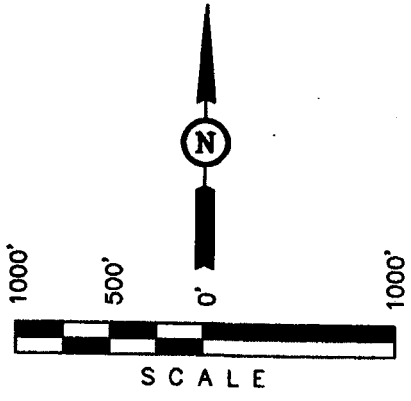
Well location, CWU #722-32, located as shown in the NE 1/4 SE 1/4 of Section 32, T9S, R23E, S.L.B.&M., Uintah County, Utah.

## BASIS OF ELEVATION

BENCHMARK 58 EAM (1965) LOCATED IN THE NE 1/4 OF SECTION 30, T9S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH SE, QUADRANGLE, UTAH, UINTAH COUNTY 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5132 FEET.

## BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.




CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161318
STATE OF UTAH


UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017


| SCALE | DATE SURVEYED: | DATE DRAWN: |
|---|---|---|
| 1" = 1000' | 10-25-06 | 10-27-06 |
| PARTY: G.S. K.C. S.L. | REFERENCES: G.L.O. PLAT | |
| WEATHER: COLD | FILE: EOG RESOURCES, INC. | |

# EIGHT POINT PLAN

## CHAPITA WELLS UNIT 722-32
## NE/SE, SEC. 32, T9S, R23E, S.L.B.&M.
## UINTAH COUNTY, UTAH

**1. & 2 ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:**

| FORMATION | DEPTH (KB) |
|---|---|
| Green River FM | 1,355' |
| Wasatch | 4,289' |
| Chapita Wells | 4,824' |
| Buck Canyon | 5,510' |
| North Horn | 6,109' |
| Island | 6,331' |

**EST. TD: 6,500' or 200' ± below Island Top** **Anticipated BHP: 3,210 Psig**

1. Fresh Waters may exist in the upper, approximately 1,000 ft ± of the Green River Formation, with top at about 2,000 ft ±.
2. Cement isolation is installed to surface of the well isolating all zones by cement.

**3. PRESSURE CONTROL EQUIPMENT:** Production Hole – 5000 Psig
BOP schematic diagrams attached.

**4. CASING PROGRAM:**

| | HOLE SIZE | INTERVAL | SIZE | WEIGHT | GRADE | THREAD | RATING FACTOR COLLAPSE | /BURST/ | TENSILE |
|---|---|---|---|---|---|---|---|---|---|
| **Conductor:** | 17 ½" | 0' – 45' | 13 ⅜" | 48.0# | H-40 | STC | 770 PSI | 1730 PSI | 322,000# |
| **Surface** | 12-1/4" | 45' – 2,300'KB± | 9-⅝" | 36.0# | J-55 | STC | 2020 PSI | 3520 Psi | 394,000# |
| **Production:** | 7-7/8" | 2,300'± – TD | 4-½" | 11.6# | N-80 | LTC | 6350 PSI | 7780 Psi | 223,000# |

**Note: 12-¼" surface hole will be drilled to a total depth of 200'± below the base of the Green River lost circulation zone and cased w/9-⅝" as shown to that depth. Drilled depth may be shallower or deeper than the 2300' shown above depending on the actual depth of the loss zone. All casing will be new or inspected.**

**5. Float Equipment:**

**Surface Hole Procedure (0'- 2300'±)**
Guide Shoe
Insert Float Collar (PDC drillable)
Centralizers: 1-5' above shoe, top of jts. #2 and #3 then every 5th joint to surface. (15 total)

**Float Equipment: (Cont'd)**

**Production Hole Procedure (2300'± - TD):**

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-½", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Wasatch Island top. (30± total). Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

## 6. MUD PROGRAM

**Surface Hole Procedure (Surface - 2300'±):**

Air/air mist or aerated water.

**Production Hole Procedure (2300'± - TD):** Anticipated mud weight 9.0 – 9.5 ppg depending on actual wellbore conditions encountered while drilling.

**2300'± - TD** A closed mud system will be utilized. A bentonite gelled water mud system will be used to control viscosity w/PHPA polymer used for supplemental viscosity and clay encapsulation/inhibition. Water loss will be maintained at <15cc's using white starch or PAC. Bactericides will be used as needed. Anticipated pH will range from 9.0-10.0. Mud weight will be adjusted as necessary for well control. Deflocculants/thinners will be used as necessary to maintain mud quality. LCM sweeps will be utilized as necessary to control lost circulation and mud loss. CO2 contamination, if encountered, will be treated with lime and gypsum.

## 7. VARIANCE REQUESTS:

**Reference: Onshore Oil and Gas Order No. 2 – Item E: Special Drilling Operations**

EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. Due to reduce location excavation, the blooie line will be approximately 75' in length

## 8. EVALUATION PROGRAM:

**Logs:** Mud log from base of surface casing to TD.
**Cased-hole Logs:** Cased-hole logs will be run in lieu of open-hole logs consisting of the following: **Cement Bond / Casing Collar Locator and Pulsed Neutron**

# EIGHT POINT PLAN

## CHAPITA WELLS UNIT 722-32
## NE/SE, SEC. 32, T9S, R23E, S.L.B.&M.
## UINTAH COUNTY, UTAH

## 9. CEMENT PROGRAM:

**Surface Hole Procedure (Surface - 2300'±):**

**Lead:** Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt, 2% $CaCl_2$, 3 lb/sx GR3 ¼ #/sx Flocele mixed at 11 ppg, 3.82 $ft^3$/sk. yield, 23 gps water.

**Tail:** Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 $ft^3$/sk., 5.2 gps water.

**Top Out:** As necessary with Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 $ft^3$/sk., 5.2 gps water.

**Note:** Cement volumes will be calculated to bring lead cement to surface and tail cement to 500'above the casing shoe.

**Production Hole Procedure (2300'± - TD)**

**Lead:** **110 sks:** 35:65 Poz "G" w/4% D20 (Bentonite), 2% D174 (Extender), 0.2% D65 (Dispersant),0.2% D46 (Antifoam), 0.75% D112 (Fluid Loss Additive), 0.200% D13 (Retarder), 0.25 pps D29 (cello flakes) mixed at 13.0 ppg, 1.75 $ft^3$/sk., 9.19 gps water.

**Tail:** **480 sks**: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 $ft^3$/sk., 5.9gps water.

**Note:** The above number of sacks is based on gauge-hole calculation.
Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe.
Tail volume to be calculated to bring cement to 400'± above top of Wasatch.
**Final Cement volumes will be based upon gauge-hole plus 45% excess.**

## 10. ABNORMAL CONDITIONS:

**Surface Hole (Surface - 2300'±):**

Lost circulation

**Production Hole (2300'± - TD):**
Sloughing shales, lost circulation and key seat development are possible in the Wasatch Formation.

# EIGHT POINT PLAN

## CHAPITA WELLS UNIT 722-32
## NE/SE, SEC. 32, T9S, R23E, S.L.B.&M.
## UINTAH COUNTY, UTAH

**11. STANDARD REQUIRED EQUIPMENT:**

A. Choke Manifold
B. Upper and Lower Kelly Cock
C. Stabbing Valve
D. Visual Mud Monitoring

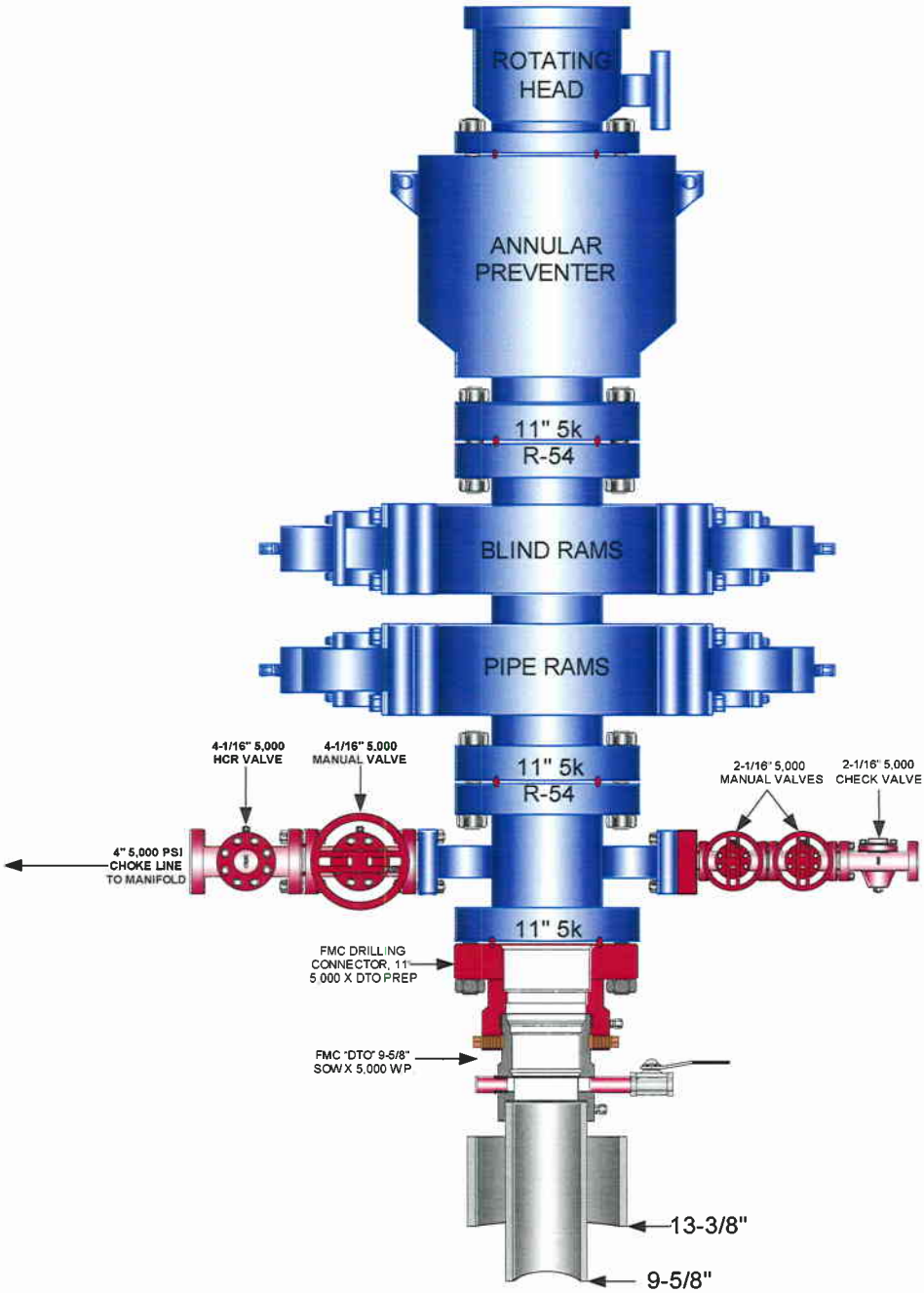
**12. HAZARDOUS CHEMICALS:**

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

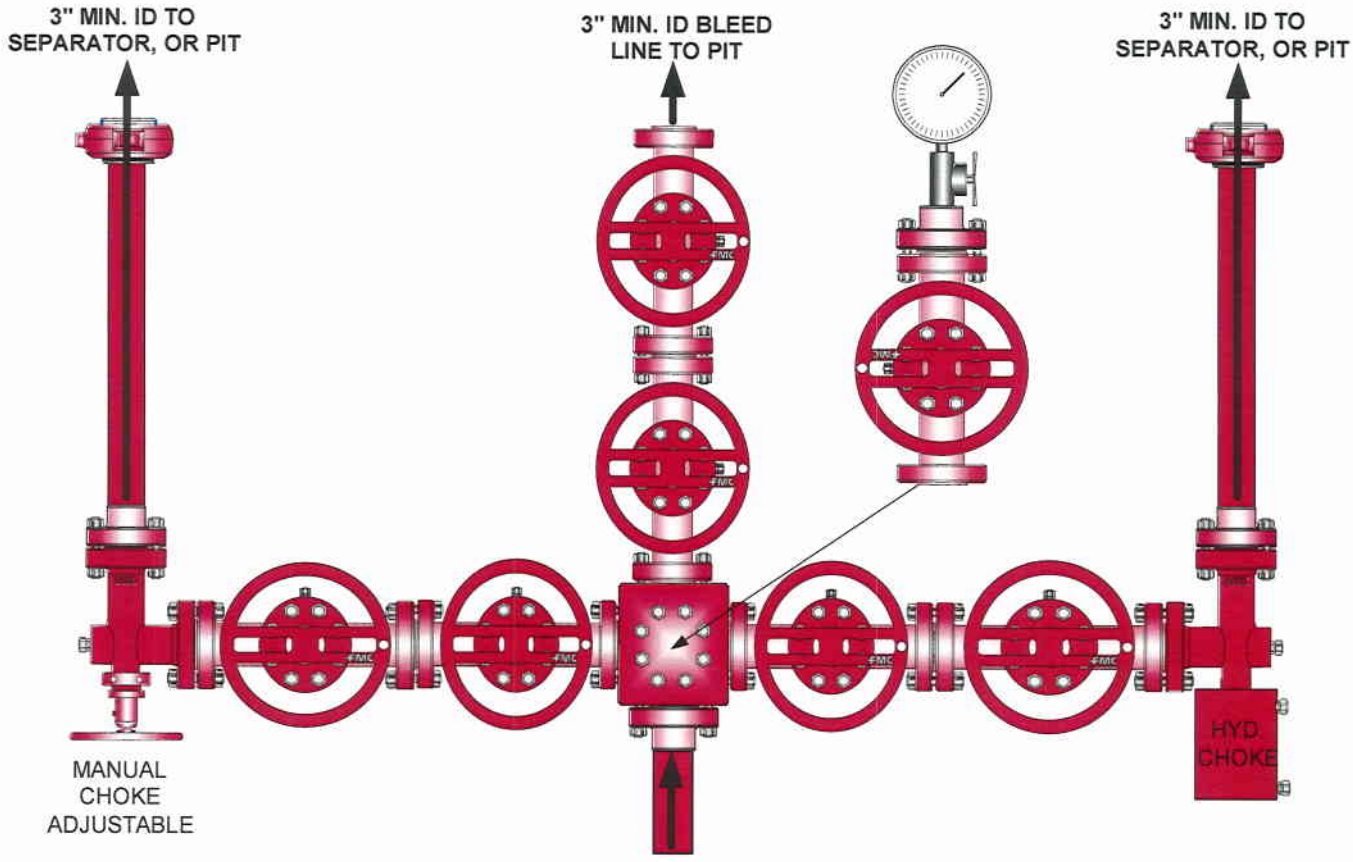
(Attachment: BOP Schematic Diagram)

# EOG RESOURCES 11" 5,000 PSI W.P. BOP CONFIGURATION





# EOG RESOURCES CHOKE MANIFOLD CONFIGURATION W/ 5,000 PSI WP VALVES




Testing Procedure:

1. BOP will be tested with a professional tester to conform to Onshore Order #2.
2. Blind and Pipe rams will be tested to rated working pressure, 5,000 psi.
3. Annular Preventer will be tested to 50% working pressure, 2,500 psi.
   Casing will be tested to 0.22 psi / ft. or 1,500 psi. Not to exceed 70% of burst strength, whichever is greater.
4. All lines subject to well pressure will be tested to the same pressure as blind and pipe rams.
5. All BOPE specifications and configurations will meet Onshore Order #2 requirements.

eog resources

# CHAPITA WELLS UNIT 722-32
# NE/SE, Section 32, T9S, R23E
# Uintah County, Utah

## SURFACE USE PLAN

### NOTIFICATION REQUIREMENTS

| | |
|---|---|
| Location Construction: | Forty-eight (48) hours prior to construction of location and access roads. |
| Location Completion: | Prior to moving on the drilling rig. |
| Spud Notice: | At least twenty-four (24) hours prior to spudding the well. |
| Casing String and Cementing: | Twenty-four (24) hours prior to running casing and cementing all casing strings. |
| BOP and related Equipment Tests: | Twenty-four (24) hours prior to running casing and tests. |
| First Production Notice: | Within five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days. |

**For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.**

**The well pad is approximately 325 feet long with a 246-foot width, containing 1.84 acres more or less. New surface disturbance associated with the well pad is estimated to be approximately 1.84 acres.**

## *1. EXISTING ROADS:*

A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.

B. The proposed well site is located approximately 55.0 miles south of Vernal, Utah – See attached TOPO Map "A".

C. Refer to attached Topographic Map "A" showing labeled access route to location.

D. Existing roads will be maintained and repaired as necessary.

## *2. PLANNED ACCESS ROAD:*

No new access road will be required. The existing access road for Chapita Wells Unit 852-32 will be utilized to access the proposed location.

Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation or debris in the drainage crossings nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by run off water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around then avoided.

As operator, EOG Resources, Inc. shall be responsible for all maintenance on cattleguards, or gates associated with this oil and/or gas operation.

Traveling off the 30 foot right-of-way will not be allowed. The access road and associated drainage structures will be constructed and maintained in accordance with road guidelines contained in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, Third Edition, and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction. During the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and drainage ditches and culverts will be kept clear and free flowing.

## *3. LOCATION OF EXISTING WELLS WITHIN A ONE-MILE RADIUS:*

See attached TOPO map "C" for the location of wells within a one-mile radius.

## *4. LOCATION OF EXISTING AND/OR PROPOSED PRODUCTION FACILITIES:*

### *A. On Well Pad*

1. Production facilities will be set on location if the well is successfully completed for production. Facilities will consist of wellhead valves, combo separator-dehy unit with meter, two (2) 400 BBL vertical tanks and attaching piping.

2. Gas gathering lines – A 4" gathering line will be buried from dehy to the edge of the location.

### *B. Off Well Pad*

If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain, at a minimum, the entire contents of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within 6 months of installation. **All existing facilities will be painted with Carlsbad Canyon.** Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

## *5. LOCATION AND TYPE OF WATER SUPPLY:*

A. Water supply will be from Ouray Municipal Water Plant at Ouray, Utah, and/ or Target Trucking Inc.'s water source in the SW/SW. Sec 35, T9S, R22E Uintah County, Utah (State Water Right # 49-1501, and/or Bonanza Power Plant water source in Sec 26, T8S, R23E Uintah County, UT (State Water Right # 49-225(A31368)). Water will be hauled by a licensed trucking company.

B. Water will be hauled by a licensed trucking company.

C. No water well will be drilled on lease.

## *6. SOURCE OF CONSTRUCTION MATERIALS:*

A. All construction material for this location and access road will be of native borrow and soil accumulated during the construction of the location.

B. No mineral materials will be required.

## *7. METHODS OF HANDLING WASTE DISPOSAL:*

### *A. METHODS AND LOCATION*

1. Cuttings will be confined in the reserve pit.

2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.

3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at the Uintah County Landfill.

4. Produced wastewater will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. After the 90 day period, the produced water will be contained in a tank on location and then disposed of at one of the following three locations: Natural Buttes Unit 21-20B SWD, Ace Disposal, or EOG Resources, Inc. drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).

5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.

B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit or by removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

The reserve pit will be constructed so as not to leak, break, or allow discharge. If the reserve pit requires padding prior to lining (due to rocky conditions) felt padding will be used.

The reserve pit shall be lined with felt and a 16 millimeter plastic liner.

EOG Resources, Inc. maintains a file, per 29 CFR 1910.1200 (g) containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds, and/or substances which are used during the course of construction, drilling, completion, and production operations for this project. Hazardous materials (substances) which may be found at the site may include drilling mud and cementing products which are primarily inhalation hazards, fuels (flammable and/or combustible), materials that may be necessary for well completion/ stimulation activities such as flammable or combustible substances and acids/gels (corrosives). The opportunity for Superfund Amendments and Reauthorization Act (SARA) listed Extremely Hazardous Substances (EHS) at the site is generally limited to proprietary treating chemicals. All hazardous and EHS and commercial preparations will be handled in an appropriate manner to minimize the potential for leaks or spills to the environment.

## *8. ANCILLARY FACILITIES:*

None anticipated.

## *9. WELL SITE LAYOUT:*

A. Refer to attached well site plat for related topography cuts and fills and cross sections.

B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.

C. Refer to attached well site plat for rig orientation, parking areas, and access road.

The reserve pit will be located on the east corner of the location. The flare pit will be located downwind of the prevailing wind direction on the west side of the location, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.

The stockpiled topsoil will be stored between Corners #5 and #6. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture from this location and then walked down with a Caterpiller tractor.

Access to the well pad will be from the south.

### *FENCING REQUIREMENTS:*

All pits will be fenced according to the following minimum standards:

A. Thirty-nine inch net wire shall be used with at least one strand of barbed wire on top of the net wire. (Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.)

B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.

C. Corner posts shall be cemented and/or braced in such a manner as to keep the fence tight at all times.

D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distances between any two posts shall be no greater than 16 feet.

E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until clean-up.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and, upon completion

of construction, the fence shall be repaired to BLM or SMA specifications. A cattleguard with an adjacent 16 foot gate shall be installed in any fence where a road is regularly traveled. If the well is a producer, the cattleguards (shall/shall not) be permanently counted on concrete bases. Prior to crossing any fence located on Federal land, or any fence between Federal land and private land, the operator will contact the BLM, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

## *10. PLANS FOR RECLAMATION OF THE SURFACE:*

### A. *Producing Location*

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with CFR 3162.7-1.

If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The stockpiled pit topsoil will then be spread over the pit area and broadcast seeded with the prescribed seed mixture for this location. The seeded area will then be walked down with a cat.

### *B. Dry Hole/Abandoned Location*

At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and the BLM will attach the appropriated surface rehabilitation conditions of approval.

## *11. SURFACE OWNERSHIP:*

Surface ownership of the proposed well site, access road, and pipeline route is as follows:

State of Utah

## *12. OTHER INFORMATION:*

A. EOG Resources, Inc. will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the Authorized Officer. Within five working days the Authorized Officer will inform the operator as to:

- Whether the materials appear eligible for the National Register of Historic Places;

- The mitigation measures the operator will likely have to undertake before the site can be used.

- A time frame for the Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

If the operator wished, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that required mitigation has been completed, the operator will then be allowed to resume construction.

B. As operator, EOG Resources, Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BLM administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application or herbicides or other pesticides or possible hazardous chemicals.

C. The drilling rig and ancillary equipment will be removed from the location prior to commencement of completion operations. Completion operations will be conducted utilizing a completion/workover rig.

D. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on BLM lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice of Lessees. The operator is fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Construction activity will not be conducted using frozen or saturated soils material or during periods when watershed damage is likely to occur.

If the existing access road, proposed access road, and proposed pad are dry during construction, drilling, and completion activities, water will be applied to help facilitate compaction during construction and to minimize soil loss as a result of wind erosion.

***LESSEE OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION:***

**PERMITTING AGENT**
Kaylene R. Gardner
EOG Resources, Inc.
P.O. Box 1815
Vernal, Ut 84078
(435) 781-9111

**DRILLING OPERATIONS**
Donald Presenkowski
EOG Resources, Inc.
P.O. Box 250
Big Piney, WY 83113
307-276-4865

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by EOG Resources, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Please be advised that EOG Resources, Inc. is considered to be the operator of the Chapita Wells Unit 722-32 Well, located in the NESE, of Section 32, T9S, R23E, Uintah County, Utah; Federal land and minerals; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond Coverage is under Bond # NM 2308.

November 10, 2006
Date

Kaylene R. Gardner Regulatory Assistant

# EOG RESOURCES, INC.

## CWU #722-32

**LOCATED IN UINTAH COUNTY, UTAH**
**SECTION 32, T9S, R23E, S.L.B.&M.**


**PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE** **CAMERA ANGLE: NORTHWESTERLY**

**PHOTO: VIEW OF EXISTING ACCESS** **CAMERA ANGLE: NORTHEASTERLY**


- Since 1964 -

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com


| LOCATION PHOTOS | 10 MONTH | 31 DAY | 06 YEAR | PHOTO |
|---|---|---|---|---|
| TAKEN BY: G.S. | DRAWN BY: C.P. | REVISED: 00-00-00 | | |

# EOG RESOURCES, INC.
## CWU #722-32
## SECTION 32, T9S, R23E, S.L.B.&M.

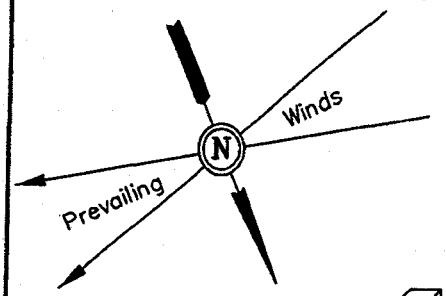
PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 12.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 4.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 0.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE PROPOSED LOCATION.

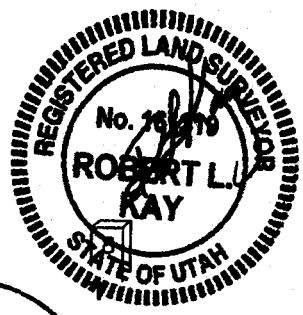
TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 54.4 MILES.

# EOG RESOURCES, INC.

## LOCATION LAYOUT FOR

CWU #722-32
SECTION 32, T9S, R23E, S.L.B.&M.
2071' FSL 713' FEL



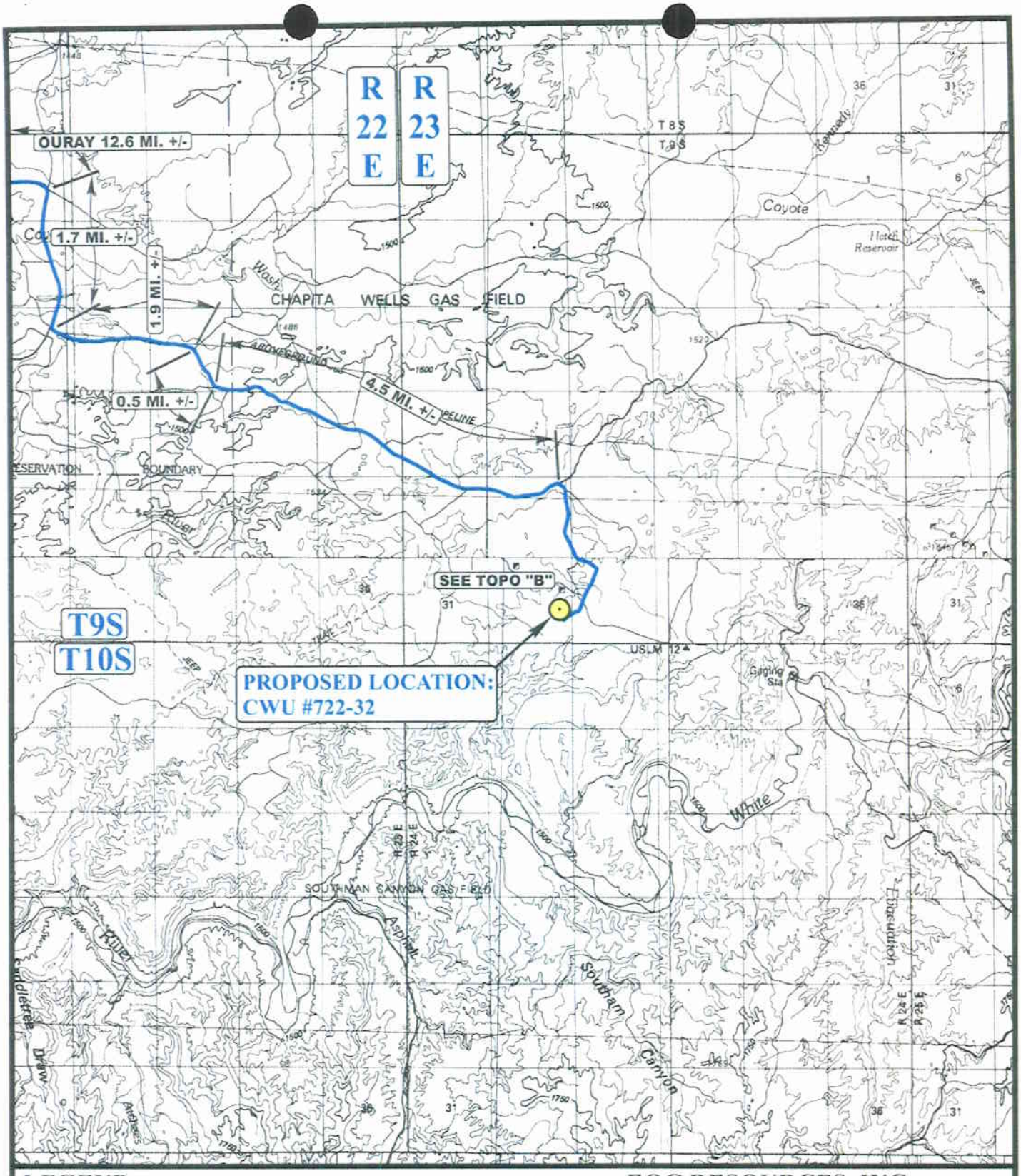




SCALE: 1" = 50'
DATE: 10-27-06
Drawn By: S.L.

NOTE:
Flare Pit is to be located a min. of 100' from the Well Head.

Existing Road
Round Corners as needed
Existing Well Pad
Existing Topsoil Stockpile
Reserve Pit Backfill & Spoils Stockpile
15' WIDE BENCH
20' WIDE BENCH
FLARE PIT
65'
175'
46'
29'
36'
135'
75'
147'
150'
DATA
CATWALK
PIPE RACKS
Anchor
Anchor
DOG HOUSE
RIG
WATER
S24°21'04"W 40.05'
Existing #852-32
PUMP
MUD TANKS
MUD SHED
HOPPER
POWER
TOOLS
FUEL
TRASH
TRAILER
TOILET
FUEL
STORAGE TANK
Anchor
Existing Riser
Existing 3" Pipeline
Existing 4" Pipeline
Total Pit Capacity W/2' Of Freeboard = 12,250 Bbls. ±
Total Pit Volume = 3,320 Cu. Yds.
RESERVE PITS (12' Deep)
SLOPE = 1-1/2 : 1
1
2
3
4
5
6
7
A
B
C


UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017




**LEGEND:**

PROPOSED LOCATION

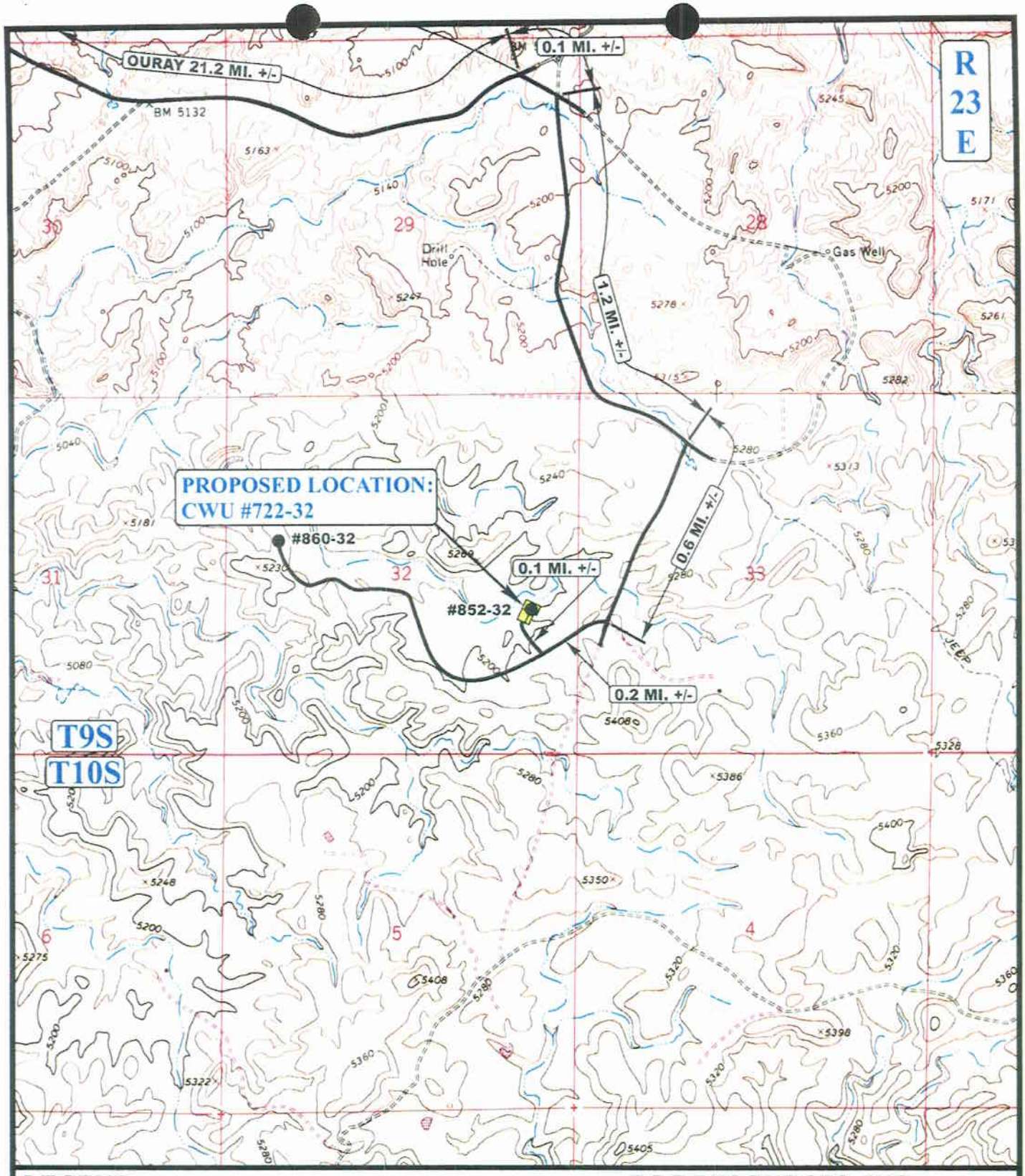
N

**EOG RESOURCES, INC.**

**CWU #722-32**
**SECTION 32, T9S, R23E, S.L.B.&M.**
**2071' FSL 713' FEL**


Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813


| TOPOGRAPHIC MAP | 10 MONTH | 31 DAY | 06 YEAR | A TOPO |
|---|---|---|---|---|
| SCALE: 1:100,000 | DRAWN BY: C.P. | REVISED: 00-00-00 | | |




**LEGEND:**

EXISTING ROAD

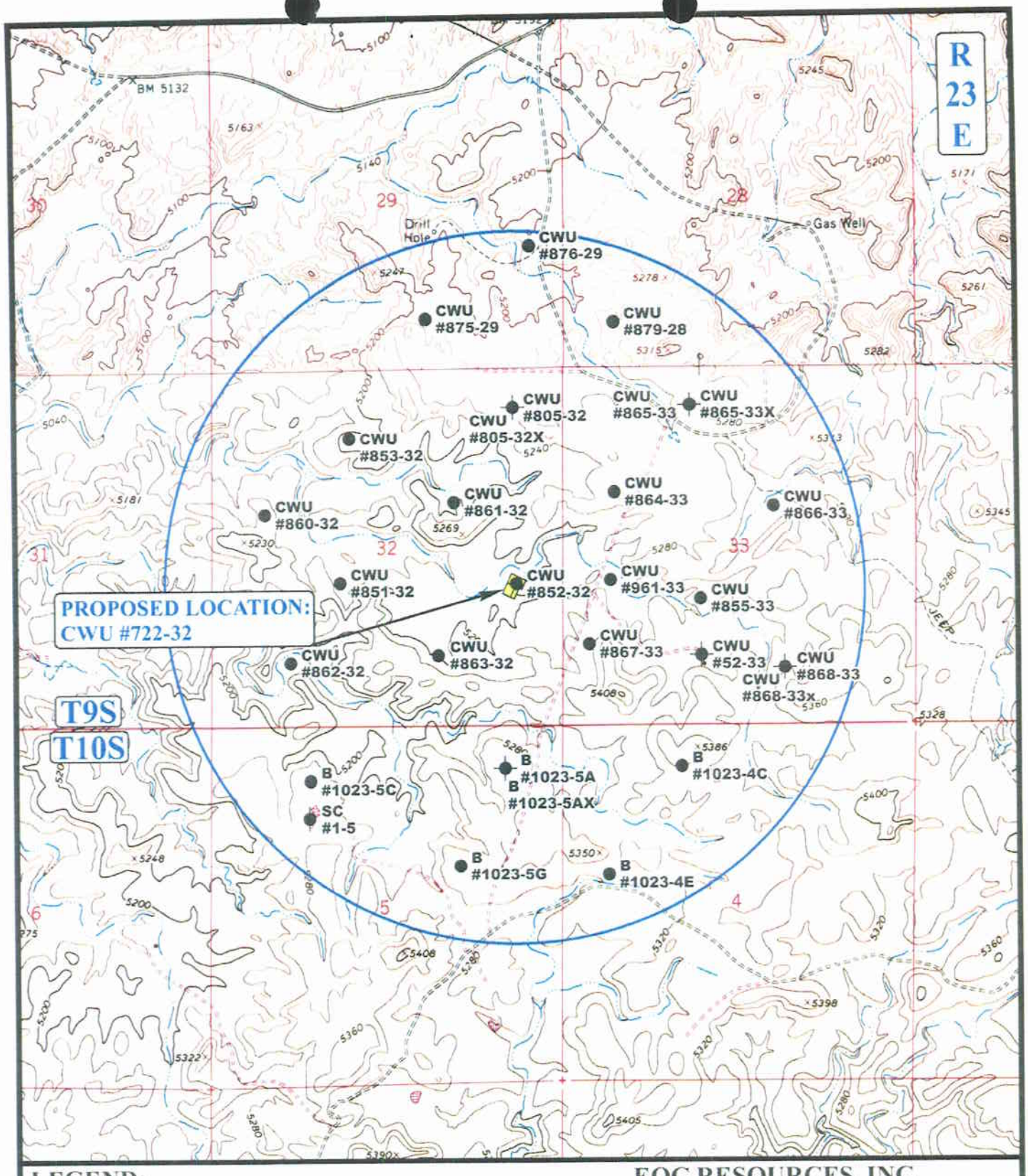
N

**EOG RESOURCES, INC.**

**CWU #722-32**
**SECTION 32, T9S, R23E, S.L.B.&M.**
**2071' FSL 713' FEL**


Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813


| TOPOGRAPHIC MAP | 10 MONTH | 31 DAY | 06 YEAR | B TOPO |
|---|---|---|---|---|
| SCALE: 1" = 2000' | DRAWN BY: C.P. | REVISED: 00-00-00 | | |




## LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

N

## EOG RESOURCES, INC.

CWU #722-32
SECTION 32, T9S, R23E, S.L.B.&M.
2071' FSL 713' FEL


Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813


| TOPOGRAPHIC MAP | 10 MONTH | 31 DAY | 06 YEAR | C TOPO |
|---|---|---|---|---|
| SCALE: 1" = 2000' | DRAWN BY: C.P. | REVISED: 00-00-00 | | |

# WORKSHEET
# APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/14/2006

API NO. ASSIGNED: 43-047-38862

WELL NAME: CWU 722-32

OPERATOR: EOG RESOURCES INC ( N9550 )

PHONE NUMBER: 435-789-0790

CONTACT: KAYLENE GARDNER

PROPOSED LOCATION:

NESE 32 090S 230E

SURFACE: 2071 FSL 0713 FEL

BOTTOM: 2071 FSL 0713 FEL

COUNTY: UINTAH

LATITUDE: 39.99100 LONGITUDE: -109.3432

UTM SURF EASTINGS: 641452 NORTHINGS: 4427863

FIELD NAME: NATURAL BUTTES ( 630 )

| INSPECT LOCATN BY: / / | | |
|---|---|---|
| **Tech Review** | **Initials** | **Date** |
| Engineering | DED | 1/8/07 |
| Geology | | |
| Surface | | |

LEASE TYPE: 3 - State

LEASE NUMBER: ML 3355

PROPOSED FORMATION: NHORN

SURFACE OWNER: 3 - State

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 6196017 )

N Potash (Y/N)

N Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. 49-1501 )

N RDCC Review (Y/N)
(Date: )

N/A Fee Surf Agreement (Y/N)

N/A Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit: CHAPITA WELLS

___ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

___ R649-3-3. Exception

✓ Drilling Unit

Board Cause No: 179.8

Eff Date: 8-18-1999

Siting: Suspends General Siting

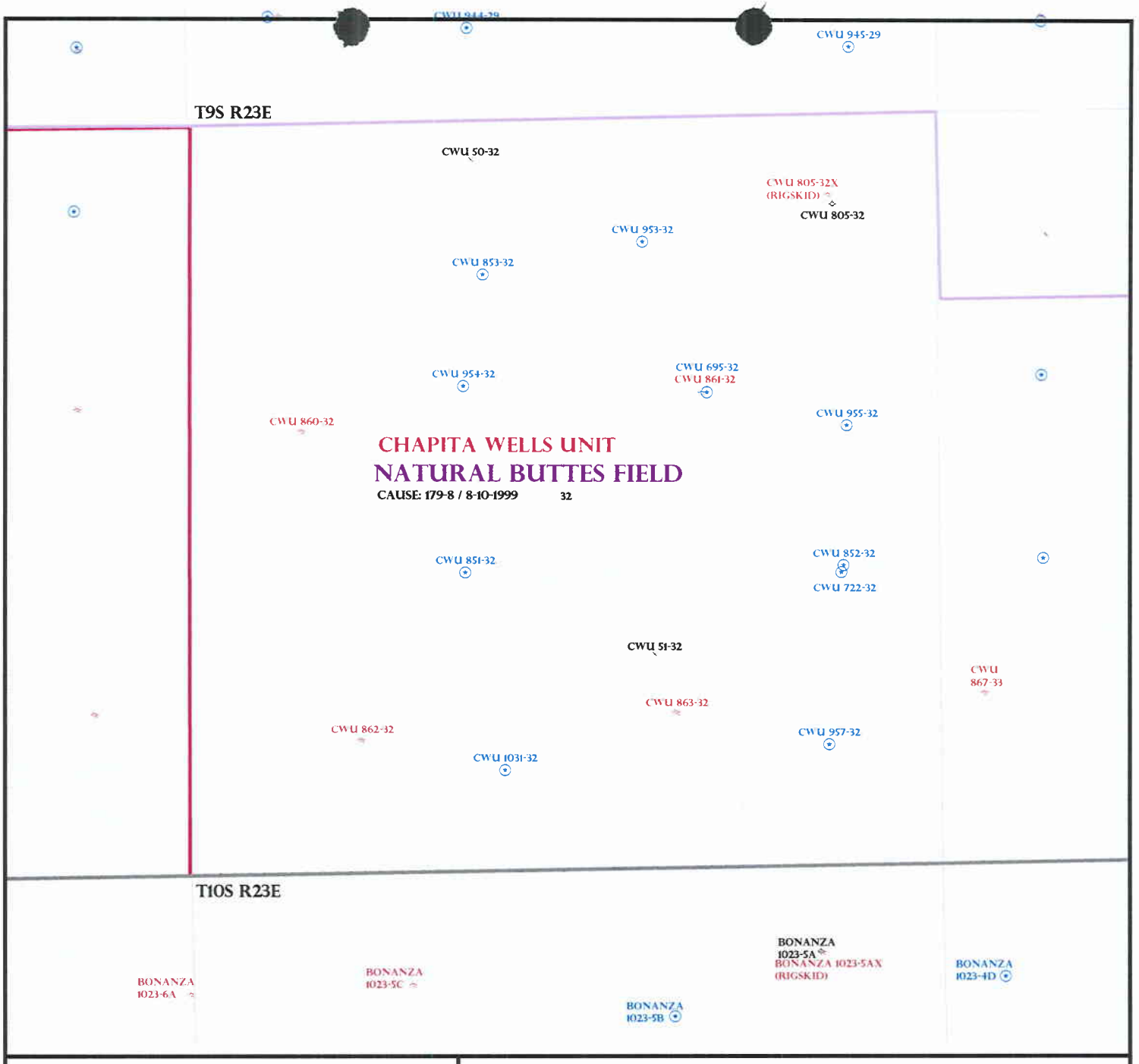
___ R649-3-11. Directional Drill

COMMENTS: Needs Permit (12-13-06)

STIPULATIONS: 1- STATEMENT OF BASIS

2- Surf-Csg Cmt stip

3- Cement Stip #3 (4½" production, 2000' MD)




OPERATOR: EOG RESOURCES INC (N9550)

SEC: 32 T.9S R. 23E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 179-8 / 8-10-1999

Field Status
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING

Utah Oil Gas and Mining

N
W E
S

PREPARED BY: DIANA MASON
DATE: 21-NOVEMBER-2006

# Application for Permit to Drill
# Statement of Basis



| APD No | API WellNo | Status | Well Type | Surf Ownr | CBM |
|---|---|---|---|---|---|
| 173 | 43-047-38862-00-00 | | GW | S | No |

**Operator** EOG RESOURCES INC **Surface Owner-APD**
**Well Name** CWU 722-32 **Unit**
**Field** UNDESIGNATED **Type of Work**
**Location** NESE 32 9S 23E S 0 F L 0 F L GPS Coord (UTM) 641452E 4427863N

**Geologic Statement of Basis**

EOG proposes to set 2,300 feet of surface casing cemented to the surface. The base of the moderately saline ground water is estimated at 3,200 feet. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of section 32. The surface formation at this location is the Uinta Formation. The Uinta Formation is made up of discontinuous sands interbedded with shales which are not expected to be prolific aquifers. It is reccomended that the surface casing be extended to cover the base of the moderately saline ground water.

| Brad Hill | 11/14/2006 |
|---|---|
| **APD Evaluator** | **Date / Time** |

**Surface Statement of Basis**

This is a twin well planned on an existing location of the CWU #852-32 producing gas well. The existing pad will be sightly enlarged.

| Floyd Bartlett | 12/13/2006 |
|---|---|
| **Onsite Evaluator** | **Date / Time** |

**Conditions of Approval / Application for Permit to Drill**

| Category | Condition |
|---|---|
| Pits | A synthetic liner with a minimum thickness of 16 mils with a felt subliner shall be properly installed and maintained in the reserve pit. |

# ON-SITE PREDRILL EVALUATION

## Utah Division of Oil, Gas and Mining

**Operator** EOG RESOURCES INC
**Well Name** CWU 722-32
**API Number** 43-047-38862-0 **APD No** 173 **Field/Unit** UNDESIGNATED
**Location: 1/4,1/4** NESE **Sec** 32 **Tw** 9S **Rng** 23E 0 F L 0 F L
**GPS Coord (UTM)** 641452 4427860 **Surface Owner**

**Participants**

Floyd Bartlett (DOGM), Byron Tolman (Permit Agent for EOR Resources), Beh Williams (DWR)

**Regional/Local Setting & Topography**

On existing pad with CWU #852-32.

**Surface Use Plan**

**Current Surface Use**
Existing Well Pad
Wildlfe Habitat
Grazing

| New Road Miles | Well Pad | | Src Const Material | Surface Formation |
|---|---|---|---|---|
| 0 | **Width** 261 | **Length** 325 | Onsite | |

**Ancillary Facilities** N

**Waste Management Plan Adequate?** Y

**Environmental Parameters**

**Affected Floodplains and/or Wetland** N

**Flora / Fauna**

Existing pad that pit has been colsed. No vegetation established.

**Soil Type and Characteristics**

sandy loam with rock below the surface.

**Erosion Issues** N

**Sedimentation Issues** N

**Site Stability Issues** N

**Drainage Diverson Required** N

**Berm Required?** N

**Erosion Sedimentation Control Required?** N

**Paleo Survey Run?** Y **Paleo Potental Observed?** N **Cultural Survey Run?** Y **Cultural Resources?**

**Reserve Pit**

| Site-Specific Factors | | | Site Ranking | |
|---|---|---|---|---|
| **Distance to Groundwater (feet)** | >200 | | 0 | |
| **Distance to Surface Water (feet)** | >1000 | | 0 | |
| **Dist. Nearest Municipal Well (ft)** | >5280 | | 0 | |
| **Distance to Other Wells (feet)** | <300 | | 20 | |
| **Native Soil Type** | Mod permeability | | 10 | |
| **Fluid Type** | Fresh Water | | 5 | |
| **Drill Cuttings** | Normal Rock | | 0 | |
| **Annual Precipitation (inches)** | <10 | | 0 | |
| **Affected Populations** | <10 | | 0 | |
| **Presence Nearby Utility Conduits** | Not Present | | 0 | |
| | | **Final Score** | 35 | 1 **Sensitivity Level** |

**Characteristics / Requirements**

Reserve pit will be in same location as previous pit in an area of cut. Dimensions are 147' x 75' x 12' deep. A liner is planned.

**Closed Loop Mud Required?** **Liner Required?** Y **Liner Thickness** 16 **Pit Underlayment Required?** Y

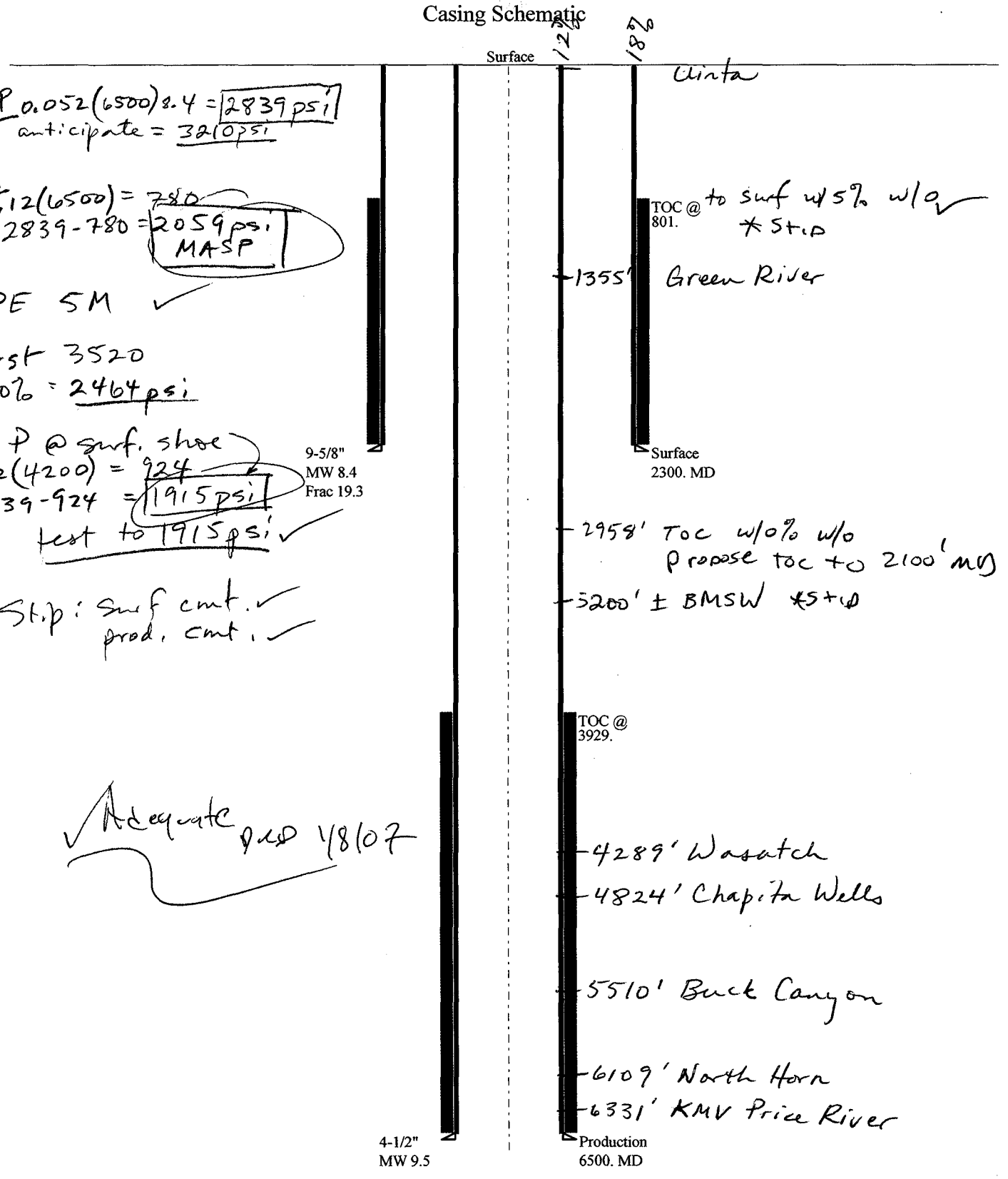
**Other Observations / Comments**

Ben Williams representing the DWR had no concerns. Jim Davis of SITLA was invited but did not attend.

| | |
|---|---|
| Floyd Bartlett | 12/13/2006 |
| **Evaluator** | **Date / Time** |

# 2006-12 EOG CWU 722-32

Casing Schematic



| | |
|---|---|
| Well name: | **2006-12 EOG CWU 722-32** |
| Operator: | **EOG Resources Inc.** |
| String type: | Surface |
| Project ID: | 43-047-38862 |
| Location: | Uintah County |

**Design parameters:**

**Collapse**

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

**Burst**

Max anticipated surface pressure: 2,024 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,300 psi

No backup mud specified.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Tension:**

| | |
|---|---|
| 8 Round STC: | 1.80 (J) |
| 8 Round LTC: | 1.80 (J) |
| Buttress: | 1.60 (J) |
| Premium: | 1.50 (J) |
| Body yield: | 1.50 (B) |

Tension is based on buoyed weight.
Neutral point: 2,014 ft

**Environment:**

| | |
|---|---|
| H2S considered? | No |
| Surface temperature: | 75 °F |
| Bottom hole temperature: | 107 °F |
| Temperature gradient: | 1.40 °F/100ft |
| Minimum section length: | 290 ft |
| Cement top: | 801 ft |

**Non-directional string.**

**Re subsequent strings:**

| | |
|---|---|
| Next setting depth: | 6,500 ft |
| Next mud weight: | 9.500 ppg |
| Next setting BHP: | 3,208 psi |
| Fracture mud wt: | 19.250 ppg |
| Fracture depth: | 2,300 ft |
| Injection pressure: | 2,300 psi |

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity ($ft^3$) |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 2300 | 9.625 | 36.00 | J-55 | ST&C | 2300 | 2300 | 8.796 | 998.3 |

| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 1004 | 2020 | 2.013 | 2300 | 3520 | 1.53 | 73 | 394 | 5.43 J |

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Minerals
Phone: 801-538-5357
FAX: 801-359-3940
Date: January 4,2007
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 2300 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

| | |
|---|---|
| Well name: | **2006-12 EOG CWU 722-32** |
| Operator: | **EOG Resources Inc.** |
| String type: | Production |
| Location: | Uintah County |
| Project ID: | 43-047-38862 |

**Design parameters:**

**Collapse**
Mud weight: 9.500 ppg
Design is based on evacuated pipe.

**Burst**
Max anticipated surface pressure: 1,778 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 3,208 psi

No backup mud specified.

**Minimum design factors:**

**Collapse:**
Design factor 1.125

**Burst:**
Design factor 1.00

**Tension:**
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 5,577 ft

**Environment:**
H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 166 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 3,929 ft

**Non-directional string.**

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity ($ft^3$) |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 6500 | 4.5 | 11.60 | P-110 | LT&C | 6500 | 6500 | 3.875 | 567.2 |

| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 3208 | 7580 | 2.363 | 3208 | 10690 | 3.33 | 65 | 279 | 4.31 J |

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Minerals
Phone: 801-538-5357
FAX: 801-359-3940
Date: January 4,2007
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 6500 ft, a mud weight of 9.5 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

# United States Department of the Interior

BUREAU OF LAND MANAGEMENT
**Utah State Office**
**P.O. Box 45155**
**Salt Lake City, Utah 84145-0155**

**IN REPLY REFER TO:**
**3160**
**(UT-922)**

November 22, 2006

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2006 Plan of Development Chapita Wells Unit Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following well is planned for calendar year 2006 within the Chapita Wells Unit, Uintah County, Utah.

| API # | WELL NAME | LOCATION |
|---|---|---|

(Proposed PZ Wasatch)

43-047-38862 CWU 722-32 Sec 32 T09S R23E 2071 FSL 0713 FEL

This office has no objection to permitting the well at this time.

/s/ Michael L. Coulthard

bcc: File - Chapita Wells Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:11-22-06

eog resources

EOG Resources, Inc.
1060 E Hwy 40
Vernal, Utah 84078

January 3, 2007

Utah Department of Oil Gas & Mining
Atten: Diana Mason
P.O. Box 145801
Salt Lake City, UT 84114-5801

**RE: Revised Drilling Plan**
**Chapita Wells Unit 722-32**
**NE/SE, Section 32-T9S-R23E**
**Lease: ML 3355**

Dear Diana:

Enclosed please find a Revised Drilling Plan, detailing cement for the surface hole procedure, for the above referenced well.

Please contact me at 435-781-9111 if you have any additional questions concerning this matter.

Sincerely,

Kaylene R. Gardner
Sr. Regulatory Assistant

cc: File



RECEIVED
JAN 04 2007
DIV. OF OIL, GAS & MINING

**Revised: EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 722-32**
**NE/SE, SEC. 32, T9S, R23E, S.L.B.&M.**
**UINTAH COUNTY, UTAH**

## 1. & 2 ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

| FORMATION | TVD-RKB (ft) | Objective | Lithology | |
|---|---|---|---|---|
| Green River | 1,355 | | Shale | Oil / Gas |
| Wasatch | 4,289 | Primary | Sandstone | Gas |
| Chapita Wells | 4,824 | Primary | Sandstone | Gas |
| Buck Canyon | 5,510 | Primary | Sandstone | Gas |
| North Horn | 6,109 | Primary | Sandstone | Gas |
| KMV Price River | 6,331 | Primary | Sandstone | Gas |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| **TD** | **9,800** | | | |

**EST. TD: 6,500' or 200' ± below Island Top** **Anticipated BHP: 3,210 Psig**

1. Fresh Waters may exist in the upper, approximately 1,000 ft ± of the Green River Formation, with top at about 2,000 ft ±.
2. Cement isolation is installed to surface of the well isolating all zones by cement.

## 3. PRESSURE CONTROL EQUIPMENT:

Production Hole – 5000 Psig
BOP schematic diagrams attached.

## 4. CASING PROGRAM:

| CASING | Hole Size | Length | Size | WEIGHT | Grade | Thread | Rating Collapse | Factor Burst | Tensile |
|---|---|---|---|---|---|---|---|---|---|
| **Cond.** | **17 ½"** | **0 – 45'** | **13 ⅜"** | **48.0#** | **H-40** | **STC** | **770 PSI** | **1730 PSI** | **322,000#** |
| **Surface** | **12 ¼"** | **45' – 2,300' KB±** | **9-⅝"** | **36.0#** | **J-55** | **STC** | **2020 PSI** | **3520 Psi** | **394,000#** |
| **Prod** | **7-7/8"** | **2,300'± – TD** | **4-½"** | **11.6#** | **P-110** | **LTC** | **7560 PSI** | **10,710 Psi** | **284,000#** |
| | | | | | | | | | |

**Note: 12-¼" surface hole will be drilled to a total depth of 200'± below the base of the Green River lost circulation zone and cased w/9-⅝" as shown to that depth. Drilled depth may be shallower or deeper than the 2300' shown above depending on the actual depth of the loss zone.**

**All casing will be new or inspected.**

RECEIVED
JAN 0 4 2007
DIV. OF OIL, GAS & MINING

**CHAPITA WELLS UNIT 722-32**
**NE/SE, SEC. 32, T9S, R23E, S.L.B.&M.**
**UINTAH COUNTY, UTAH**

## 5. Float Equipment:

**Surface Hole Procedure (0'- 2300'±)**
Guide Shoe
Insert Float Collar (PDC drillable)
Centralizers: 1-5' above shoe, top of jts. #2 and #3 then every 5th joint to surface. (15 total)

**Production Hole Procedure (2300'± - TD):**

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-½", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Wasatch Island top. (30± total). Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

## 6. MUD PROGRAM

**Surface Hole Procedure (Surface - 2300'±):**

Air/air mist or aerated water.

**Production Hole Procedure (2300'± - TD):** Anticipated mud weight 9.0 – 9.5 ppg depending on actual wellbore conditions encountered while drilling.

**2300'± - TD** A closed mud system will be utilized. A bentonite gelled water mud system will be used to control viscosity w/PHPA polymer used for supplemental viscosity and clay encapsulation/inhibition. Water loss will be maintained at <15cc's using white starch or PAC. Bactericides will be used as needed. Anticipated pH will range from 9.0-10.0. Mud weight will be adjusted as necessary for well control. Deflocculants/thinners will be used as necessary to maintain mud quality. LCM sweeps will be utilized as necessary to control lost circulation and mud loss. CO2 contamination, if encountered, will be treated with lime and gypsum.

## 7. VARIANCE REQUESTS:

**Reference: Onshore Oil and Gas Order No. 2 – Item E: Special Drilling Operations**

EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. Due to reduce location excavation, the blooie line will be approximately 75' in length

**CHAPITA WELLS UNIT 722-32**
**NE/SE, SEC. 32, T9S, R23E, S.L.B.&M.**
**UINTAH COUNTY, UTAH**

## 8. EVALUATION PROGRAM:

**Logs:** Mud log from base of surface casing to TD.
**Cased-hole Logs:** Cased-hole logs will be run in lieu of open-hole logs consisting of the following:
**Cement Bond / Casing Collar Locator and Pulsed Neutron**

## 9. CEMENT PROGRAM:

### Surface Hole Procedure (Surface - 2300'±):

**Lead:** **185 sks** Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt, 2% $CaCl_2$, 3 lb/sx GR3 ¼ #/sx Flocele mixed at 11 ppg, 3.82 $ft^3$/sk. yield, 23 gps water.

**Tail:** **207 sks** Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 $ft^3$/sk., 5.2 gps water.

**Top Out:** As necessary with Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 $ft^3$/sk., 5.2 gps water.

**Note:** Cement volumes will be calculated to bring lead cement to surface and tail cement to 500'above the casing shoe.

### Production Hole Procedure (2300'± - TD)

**Lead:** **110 sks:** 35:65 Poz "G" w/4% D20 (Bentonite), 2% D174 (Extender), 0.2% D65 (Dispersant),0.2% D46 (Antifoam), 0.75% D112 (Fluid Loss Additive), 0.200% D13 (Retarder), 0.25 pps D29 (cello flakes) mixed at 13.0 ppg, 1.75 $ft^3$/sk., 9.19 gps water.

**Tail:** **480 sks**: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 $ft^3$/sk., 5.9gps water.

**Note:** The above number of sacks is based on gauge-hole calculation.
Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe.
Tail volume to be calculated to bring cement to 400'± above top of Wasatch.

**Final Cement volumes will be based upon gauge-hole plus 45% excess.**

**CHAPITA WELLS UNIT 722-32**
**NE/SE, SEC. 32, T9S, R23E, S.L.B.&M.**
**UINTAH COUNTY, UTAH**

## 10. ABNORMAL CONDITIONS:

**Surface Hole (Surface - 2300'±):**

Lost circulation

**Production Hole (2300'± - TD):**
Sloughing shales, lost circulation and key seat development are possible in the Wasatch Formation.

## 11. STANDARD REQUIRED EQUIPMENT:

A. Choke Manifold
B. Upper and Lower Kelly Cock
C. Stabbing Valve
D. Visual Mud Monitoring

## 12. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

(Attachment: BOP Schematic Diagram)

**From:** Ed Bonner
**To:** Mason, Diana
**Date:** 1/18/2007 2:13 PM
**Subject:** Well Clearance

**CC:** Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

EOG Resources, Inc
Chapita Wells Unit 722-32 (API 43 047 38862)

Enduring Resources, LLC
Long Draw 12-24-34-23 (API 43 047 38652)

Gasco Production Company
Wilkin Ridge State 21-16-10-17 (API 43 047 38883)
Wilkin Ridge State 32-32-10-17 (API 43 047 38882)
Wilkin Ridge State 11-32-10-17 (API 43 047 38875)

Wind River II Corporation
Snowshoe 4-15-16-22 (API 43 019 31510)

If you have any questions regarding this matter please give me a call.

JON M. HUNTSMAN, JR.
*Governor*

GARY R. HERBERT
*Lieutenant Governor*

**State of Utah**

**Department of Natural Resources**

MICHAEL R. STYLER
*Executive Director*

**Division of Oil, Gas & Mining**

JOHN R. BAZA
*Division Director*

January 18, 2007

EOG Resources, Inc.
P O Box 1815
Vernal, UT 84078

Re: Chapita Wells Unit 722-32 Well, 2071' FSL, 713' FEL, NE SE, Sec. 32, T. 9 South, R. 23 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38862.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor (via e-mail)
Bureau of Land Management, Vernal District Office
SITLA

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

**Operator:** EOG Resources, Inc.

**Well Name & Number** Chapita Wells Unit 722-32

**API Number:** 43-047-38862

**Lease:** ML-3355

**Location:** NE SE **Sec.** 32 **T.** 9 South **R.** 23 East

## Conditions of Approval

1. **General**
   Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. **Notification Requirements**
   The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:
   - 24 hours prior to cementing or testing casing
   - 24 hours prior to testing blowout prevention equipment
   - 24 hours prior to spudding the well
   - within 24 hours of any emergency changes made to the approved drilling program
   - prior to commencing operations to plug and abandon the well

   The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):
   - Dan Jarvis at (801) 538-5338
   - Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**
   All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

6. Surface casing shall be cemented to the surface.

7. Cement volume for the 4 1/2" production string shall be determined from actual hole diameter in order to place cement from the pipe setting depth back to 2100' MD as indicated in the submitted drilling plan.

**STATE OF UTAH**
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

# SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: ML3355

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME: Chapita Wells Unit

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Chapita Wells Unit 722-32

2. NAME OF OPERATOR: EOG Resources, Inc.

9. API NUMBER: 43-047-38862

3. ADDRESS OF OPERATOR: 1060 East Highway 40 CITY Vernal STATE UT ZIP 84078

PHONE NUMBER: (435) 781-9111

10. FIELD AND POOL, OR WILDCAT: Natural Buttes

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2071 FSL - 713 FEL 39.990914 LAT 109.343875 LON

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 32 9S 23E S

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|---|
| ☑ NOTICE OF INTENT (Submit in Duplicate) | ☐ ACIDIZE | ☐ DEEPEN | ☐ REPERFORATE CURRENT FORMATION |
| Approximate date work will start: | ☐ ALTER CASING | ☐ FRACTURE TREAT | ☐ SIDETRACK TO REPAIR WELL |
| | ☐ CASING REPAIR | ☐ NEW CONSTRUCTION | ☐ TEMPORARILY ABANDON |
| | ☐ CHANGE TO PREVIOUS PLANS | ☐ OPERATOR CHANGE | ☐ TUBING REPAIR |
| | ☐ CHANGE TUBING | ☐ PLUG AND ABANDON | ☐ VENT OR FLARE |
| ☐ SUBSEQUENT REPORT (Submit Original Form Only) | ☐ CHANGE WELL NAME | ☐ PLUG BACK | ☐ WATER DISPOSAL |
| Date of work completion: | ☐ CHANGE WELL STATUS | ☐ PRODUCTION (START/RESUME) | ☐ WATER SHUT-OFF |
| | ☐ COMMINGLE PRODUCING FORMATIONS | ☐ RECLAMATION OF WELL SITE | ☑ OTHER: APD Extension |
| | ☐ CONVERT WELL TYPE | ☐ RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. requests the APD for the referenced well be extended for one year.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 01-23-2008

By:

COPY SENT TO OPERATOR
Date: 1-24-2008
Initials: KS

NAME (PLEASE PRINT) Kaylene R. Gardner TITLE Lead Regulatory Assistant

SIGNATURE DATE 1/15/2008

(This space for State use only)

RECEIVED
JAN 22 2008
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

[redacted]

**Application for Permit to Drill**
**Request for Permit Extension**
**Validation**
(this form should accompany the Sundry Notice requesting permit extension)

**API:** 43-047-38862
**Well Name:** Chapita Wells Unit 722-32
**Location:** 2071 FSL - 713 FEL (NESE), SECTION 32, T9S, R23E S.L.B.&M
**Company Permit Issued to:** EOG RESOURCES, INC.
**Date Original Permit Issued:** 1/18/2007

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes☐ No☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes☐ No☑

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes☐ No☑

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes☐ No☑

Has the approved source of water for drilling changed? Yes☐ No☑

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes☐ No☑

Is bonding still in place, which covers this proposed well? Yes☑ No☐

Signature

1/15/2008
Date

Title: Lead Regulatory Assistant

Representing: EOG Resources, Inc.

RECEIVED
JAN 22 2008
DIV. OF OIL, GAS & MINING

# DIVISION OF OIL, GAS AND MINING

## *SPUDDING INFORMATION*

Name of Company: **EOG RESOURCES INC**

Well Name: **CWU 722-32**

Api No: **43-047-38862** Lease Type: **STATE**

Section **32** Township **09S** Range **23E** County **UINTAH**

Drilling Contractor **CRAIG'S ROUSTABOUT SERV** RIG # **RATHOLE**

## SPUDDED:

Date **05/12/08**

Time **3:30 PM**

How **DRY**

***Drilling will Commence:***

Reported by **JERRY BARNES**

Telephone # **(435) 828-1720**

**Date** **05/13//08** **Signed** **CHD**

FORM 9

**STATE OF UTAH**
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-3355

# SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: Chapita Wells Unit

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Chapita Wells Unit 722-32

2. NAME OF OPERATOR: EOG Resources, Inc.

9. API NUMBER: 43-047-38862

3. ADDRESS OF OPERATOR: 1060 East Highway 40 CITY Vernal STATE UT ZIP 84078

PHONE NUMBER: (435) 789-0790

10. FIELD AND POOL, OR WILDCAT: Natural Buttes

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2071' FSL & 713' FEL 39.990914 LAT 109.343875 LON

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 32 9S 23E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|---|
| ☑ NOTICE OF INTENT (Submit in Duplicate) | ☐ ACIDIZE | ☐ DEEPEN | ☐ REPERFORATE CURRENT FORMATION |
| Approximate date work will start: | ☐ ALTER CASING | ☐ FRACTURE TREAT | ☐ SIDETRACK TO REPAIR WELL |
| | ☐ CASING REPAIR | ☐ NEW CONSTRUCTION | ☐ TEMPORARILY ABANDON |
| | ☑ CHANGE TO PREVIOUS PLANS | ☐ OPERATOR CHANGE | ☐ TUBING REPAIR |
| | ☐ CHANGE TUBING | ☐ PLUG AND ABANDON | ☐ VENT OR FLARE |
| ☐ SUBSEQUENT REPORT (Submit Original Form Only) | ☐ CHANGE WELL NAME | ☐ PLUG BACK | ☐ WATER DISPOSAL |
| Date of work completion: | ☐ CHANGE WELL STATUS | ☐ PRODUCTION (START/RESUME) | ☐ WATER SHUT-OFF |
| | ☐ COMMINGLE PRODUCING FORMATIONS | ☐ RECLAMATION OF WELL SITE | ☐ OTHER: |
| | ☐ CONVERT WELL TYPE | ☐ RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Respectfully requests authorization to change the drilling plan for the referenced well.

A revised drilling plan is attached.

COPY SENT TO OPERATOR
Date: 5·19·2008
Initials: KS

NAME (PLEASE PRINT) Kaylene R. Gardner TITLE Lead Regulatory Assistant

SIGNATURE DATE 5/7/2008

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 5/19/08
BY:

RECEIVED
MAY 09 2008
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

* Surface Casing shall be cemented Back to Surface

# DRILLING PLAN

## CHAPITA WELLS UNIT 722-32
## NE/SE, SEC. 32, T9S, R23E, S.L.B.&M..
## UINTAH COUNTY, UTAH

## 1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

| FORMATION | TVD-RKB (ft) | Objective | Lithology | |
|---|---|---|---|---|
| Green River | 1,355 | | Shale | |
| Wasatch | 4,289 | Primary | Sandstone | Gas |
| Chapita Wells | 4,824 | Primary | Sandstone | Gas |
| Buck Canyon | 5,510 | Primary | Sandstone | Gas |
| North Horn | 6,109 | Primary | Sandstone | Gas |
| KMV Price River | 6,349 | | Sandstone | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| **TD** | **6,500** | | | |

**Estimated TD: 6,500' or 200'± below TD** **Anticipated BHP: 3,550 Psig**

1. Fresh Waters may exist in the upper, approximately 1,000 ft ± of the Green River Formation, with top at about 2,000 ft ±.
2. Cement isolation is installed to surface of the well isolating all zones by cement.

## 3. PRESSURE CONTROL EQUIPMENT:

Production Hole – 5000 Psig
BOP schematic diagrams attached.

## 4. CASING PROGRAM:

| CASING | Hole Size | Length | Size | WEIGHT | Grade | Thread | Rating Collapse | Factor Burst | Tensile |
|---|---|---|---|---|---|---|---|---|---|
| Conductor | 17 ½" | 0 – 45' | 13 ⅜" | 48.0# | H-40 | STC | 770 PSI | 1730 PSI | 322,000# |
| Surface | 12 ¼" | 0' – 2,300' KB± | 9-⅝" | 36.0# | J-55 | STC | 2020 PSI | 3520 Psi | 394,000# |
| Production | 6-¼" | Surface – TD | 4-½" | 11.6# | P-110 | BTC | 7560 PSI | 10,690 Psi | 279,000# |
| | | | | | | | | | |

**Note: 12-¼" surface hole will be drilled to a total depth of 200'± below the base of the Green River lost circulation zone and cased w/9-⅝" as shown to that depth. Drilled depth may be shallower or deeper than the 2300' shown above depending on the actual depth of the loss zone.**

**All casing will be new or inspected.**

# DRILLING PLAN

## CHAPITA WELLS UNIT 722-32
## NE/SE, SEC. 32, T9S, R23E, S.L.B.&M..
## UINTAH COUNTY, UTAH

## 5. Float Equipment:

### Surface Hole Procedure (0'- 2300'±)

Guide Shoe
Insert Float Collar (PDC drillable)
Centralizers: 1-5' above shoe, top of jts. #2 and #3 then every 5th joint to surface. (15 total)

### Production Hole Procedure (2300'± - TD):

Bit, Cross-over sub with float, IB stabilizer, Casing pup jt., IB Stabilizer, 1 joint casing, and balance of casing to surface. All casing will be 4-½", 11.6#, P-110, Buttress and Grant Prideco DWC couplings, with a marker jt. 400' above top of Wasatch. Composite-coated, positive stand-off centralizers will be utilized on the bottom 20 jts. The casing will be rotated via a top-drive system to drill the hole. A cement plug will be landed on the float above the bit.

## 6. MUD PROGRAM

### Surface Hole Procedure (Surface - 2300'±):

Air/air mist or aerated water.

### Production Hole Procedure (2300'± - TD):

Anticipated mud weight 9.5 – 10.5 ppg depending on actual wellbore conditions encountered while drilling.

**2300'± - TD** A bentonite gelled water mud system will be used to control viscosity w/PHPA polymer used for supplemental viscosity and clay encapsulation/inhibition. Water loss will be maintained at <15cc's using white starch or PAC. Bactericides will be used as needed. Anticipated pH will range from 9.0-10.0. Mud weight will be adjusted as necessary for well control. Deflocculants/thinners will be used as necessary to maintain mud quality. LCM sweeps will be utilized as necessary to control lost circulation and mud loss. CO2 contamination, if encountered, will be treated with lime and gypsum.

# DRILLING PLAN

## CHAPITA WELLS UNIT 722-32
## NE/SE, SEC. 32, T9S, R23E, S.L.B.&M..
## UINTAH COUNTY, UTAH

## 7. VARIANCE REQUESTS:

**Reference:** **Onshore Oil and Gas Order No. 1**
**Onshore Oil and Gas Order No. 2 – Section E: Special Drilling Operations**

- EOG Resources, Inc. requests a variance to regulations requiring a straight run blooie line to be 100' in length. (Where possible, a straight run blooie line will be used).
- EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be approximately 75' in length.
- EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring dedusting equipment. Dust during air drilling operations is controlled by water mist.
- EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring an automatic igniter or continuous pilot light on the blooie line. (Not required on aerated water system).
- EOG Resources, Inc. requests a variance that compressors are located in the opposite direction from the blooie line a minimum of 100 feet from the well bore. (Air Compressors are rig mounted).

## 8. EVALUATION PROGRAM:

**Logs:** Gas shows from base of surface casing to TD.

**Cased-hole Logs**: Cased-hole logs will be run in lieu of open-hole logs consisting of the following: **Cement Bond / Casing Collar Locator and Pulsed Neutron**

# DRILLING PLAN

## CHAPITA WELLS UNIT 722-32
## NE/SE, SEC. 32, T9S, R23E, S.L.B.&M..
## UINTAH COUNTY, UTAH

## 9. CEMENT PROGRAM:

### Surface Hole Procedure (Surface - 2300'±):

**Lead:** **185 sks** Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt, 2% $CaCl_2$, 3 lb/sx GR3 ¼ #/sx Flocele mixed at 11 ppg, 3.82 $ft^3$/sk. yield, 23 gps water.

**Tail:** **207 sks** Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 $ft^3$/sk., 5.2 gps water.

**Top Out:** As necessary with Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 $ft^3$/sk., 5.2 gps water.

**Note:** Cement volumes will be calculated to bring lead cement to surface and tail cement to 500'above the casing shoe.

### Production Hole Procedure (2300'± - TD)

**Lead:** **80 sks:** Hi-Lift "G" w/12% D20 (Bentonite), 1% D79 (Extender), 5% D44 (Salt),0.2% D46 (Antifoam), 0.25% D112 (Fluid Loss Additive), 0.25 pps D29 (cello flakes) mixed at 11.0 ppg, 3.91 $ft^3$/sk., 24.5 gps water.

**Tail:** **220 sks:** 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 $ft^3$/sk., 5.9gps water.

**Note:** The above number of sacks is based on gauge-hole calculation.
Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe.
Tail volume to be calculated to bring cement to 400'± above top of Wasatch.

**Final Cement volumes will be based upon gauge-hole plus 45% excess.**

## 10. ABNORMAL CONDITIONS:

### Surface Hole (Surface - 2300'±):

Lost circulation

### Production Hole (2300'± - TD):

Sloughing shales, lost circulation and key seat development are possible in the Wasatch Formation.
**This section of hole will be casing drilled and will meet BLM requirement for .422 of cement sheath space on all sides of the casing couplings.**

# DRILLING PLAN

## CHAPITA WELLS UNIT 722-32
## NE/SE, SEC. 32, T9S, R23E, S.L.B.&M..
## UINTAH COUNTY, UTAH

## 11. STANDARD REQUIRED EQUIPMENT:

A. Choke Manifold
B. Upper and Lower Kelly Cock
C. Stabbing Valve
D. Visual Mud Monitoring

## 12. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

## 13. Air Drilling Operations:

1. Main Air Compressors are 1250 CFM 350 psi with 2000 psi Boosters and are rig mounted.
2. Secondary Air Compressors are 1170 CFM 350 psi with 2000 psi Boosters and are rig mounted.
3. Minimum setting depth of conductor casing will be 60' GL or 10'± into competent formation, whichever is deeper, as determined by the EOG person in charge. Exceptions must be approved by an EOG drilling superintendent or manager.
4. The diameter of the diverter flow line will be a minimum of 10" to help reduce back pressure on the well bore during uncontrolled flow.
5. Rat and Mouse hole drilling will occur only after surface casing has been set and cemented.
6. EOG Resources, Inc. will use a properly maintained and lubricated stripper head.

**(Attachment: BOP Schematic Diagram)**

## BOPE REVIEW — EOG CWU 722-32 API 43-047-38862

**INPUT**

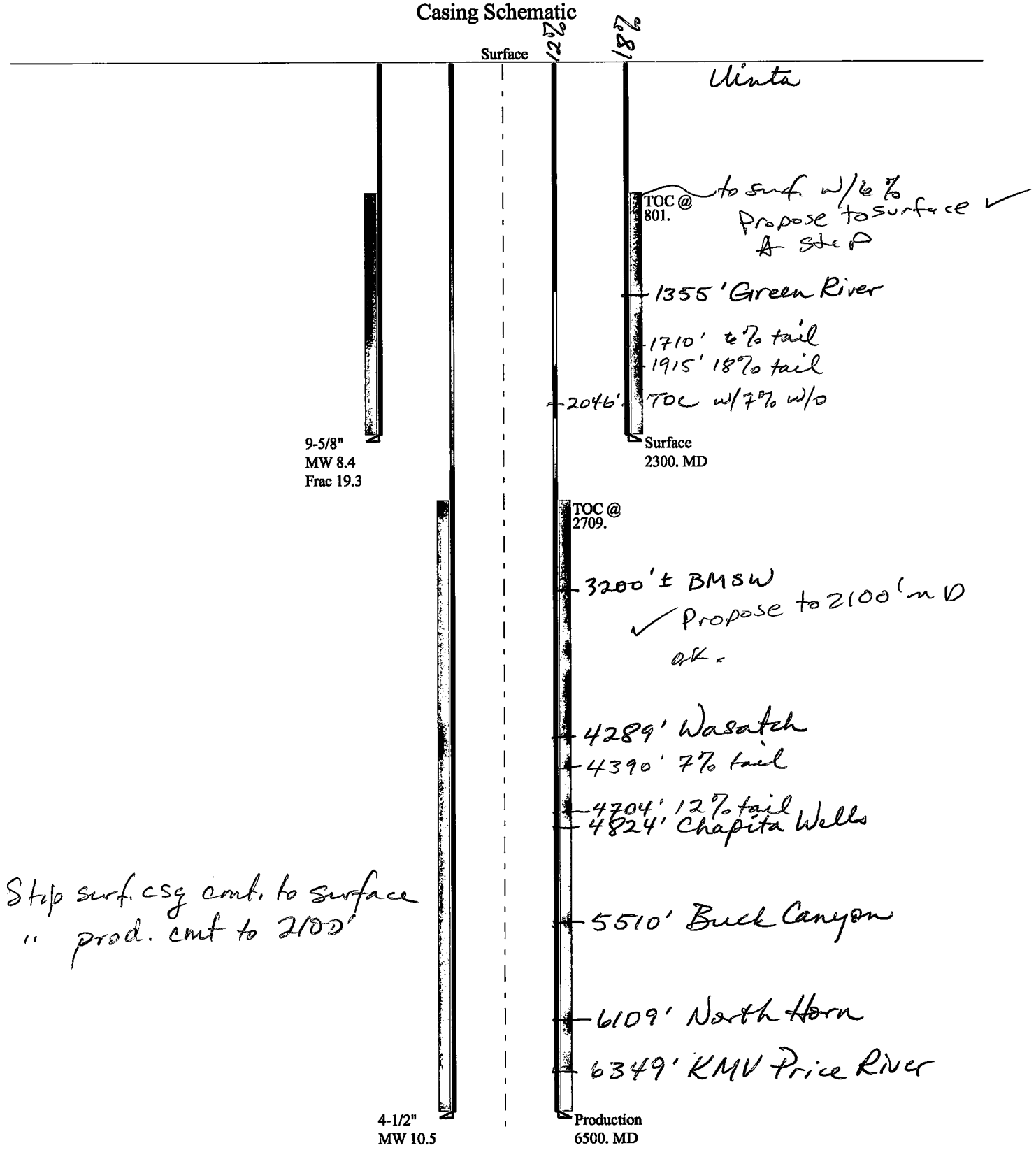
| Well Name | EOG CWU 722-32 API 43-047-38862 | | | |
|---|---|---|---|---|
| | String 1 | String 2 | | |
| Casing Size (") | 9 5/8 | 4 1/2 | | |
| Setting Depth (TVD) | 2300 | 6500 | | |
| Previous Shoe Setting Depth (TVD) | 45 | 2300 | | |
| Max Mud Weight (ppg) | 8.4 | 10.5 | | |
| BOPE Proposed (psi) | 500 | 5000 | | |
| Casing Internal Yield (psi) | 3520 | 10690 | | |
| Operators Max Anticipated Pressure (psi) | 3550 | 10.5 ppg | | |

| Calculations | String 1 | 9 5/8 " | |
|---|---|---|---|
| Max BHP [psi] | .052*Setting Depth*MW = | 1005 | |
| | | | BOPE Adequate For Drilling And Setting Casing at Depth? |
| MASP (Gas) [psi] | Max BHP-(0.12*Setting Depth) = | 729 | NO - OK. Air drill |
| MASP (Gas/Mud) [psi] | Max BHP-(0.22*Setting Depth) = | 499 | YES |
| | | | *Can Full Expected Pressure Be Held At Previous Shoe? |
| Pressure At Previous Shoe | Max BHP-.22*(Setting Depth - Previous Shoe Depth) = | 509 | ← NO |
| Required Casing/BOPE Test Pressure | | 2300 | psi |
| *Max Pressure Allowed @ Previous Casing Shoe = | | 45 | psi |

| Calculations | String 2 | 4 1/2 " | |
|---|---|---|---|
| Max BHP [psi] | .052*Setting Depth*MW = | 3549 | |
| | | | BOPE Adequate For Drilling And Setting Casing at Depth? |
| MASP (Gas) [psi] | Max BHP-(0.12*Setting Depth) = | 2769 | YES ✓ |
| MASP (Gas/Mud) [psi] | Max BHP-(0.22*Setting Depth) = | 2119 | YES |
| | | | *Can Full Expected Pressure Be Held At Previous Shoe? |
| Pressure At Previous Shoe | Max BHP-.22*(Setting Depth - Previous Shoe Depth) = | 2625 | ← NO OK |
| Required Casing/BOPE Test Pressure | | 5000 | psi |
| *Max Pressure Allowed @ Previous Casing Shoe = | | 2300 | psi *Assumes 1psi/ft frac gradient |

# 2008-05 EOG CWU 722-32(rev2006-12)

## Casing Schematic




Stop surf. csg cmt. to surface
" prod. cmt to 2100'

| | |
|---|---|
| Well name: | **2008-05 EOG CWU 722-32(rev2006-12)** |
| Operator: | **EOG Resources Inc.** |
| String type: | Surface |
| Project ID: | 43-047-38862 |
| Location: | Uintah County |

**Design parameters:**

**Collapse**
Mud weight: 8.400 ppg
Design is based on evacuated pipe.

**Burst**
Max anticipated surface pressure: 2,024 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,300 psi

No backup mud specified.

**Minimum design factors:**

**Collapse:**
Design factor ~~1.125~~ 1.325

**Burst:**
Design factor ~~1.00~~ 1.20

**Tension:**
8 Round STC: ~~1.80 (J)~~ 2.0
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 2,014 ft

**Environment:**
H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 107 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 290 ft

Cement top: 801 ft

**Non-directional string.**

**Re subsequent strings:**
Next setting depth: 6,500 ft
Next mud weight: 10.500 ppg
Next setting BHP: 3,545 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,300 ft
Injection pressure: 2,300 psi

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 2300 | 9.625 | 36.00 | J-55 | ST&C | 2300 | 2300 | 8.796 | 998.2 |

| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 1004 | 2020 | 2.013 | 2300 | 3520 | 1.53 | 72 | 394 | 5.43 J |

Prepared by: Helen Sadik-Macdonald, Div of Oil,Gas & Minerals
Phone: 801-538-5357
FAX: 801-359-3940
Date: May 14,2008
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 2300 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

| | |
|---|---|
| Well name: | **2008-05 EOG CWU 722-32(rev2006-12)** |
| Operator: | **EOG Resources Inc.** |
| String type: | Production |
| Project ID: | 43-047-38862 |
| Location: | Uintah County |

**Design parameters:**

**Collapse**

Mud weight: 10.500 ppg

Design is based on evacuated pipe.

**Burst**

Max anticipated surface pressure: 2,115 psi

Internal gradient: 0.220 psi/ft

Calculated BHP 3,545 psi

No backup mud specified.

**Minimum design factors:**

**Collapse:**

Design factor ~~1.125~~ 1.325

**Burst:**

Design factor ~~1.00~~ 1.20

**Tension:**

| | |
|---|---|
| 8 Round STC: | 1.80 (J) |
| 8 Round LTC: | 1.80 (J) |
| Buttress: | ~~1.60 (J)~~ 1.80 |
| Premium: | 1.50 (J) |
| Body yield: | 1.50 (B) |

Tension is based on buoyed weight.

Neutral point: 5,480 ft

**Environment:**

| | |
|---|---|
| H2S considered? | No |
| Surface temperature: | 75 °F |
| Bottom hole temperature: | 166 °F |
| Temperature gradient: | 1.40 °F/100ft |
| Minimum section length: | 1,500 ft |
| Cement top: | 2,709 ft |

**Non-directional string.**

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity ($ft^3$) |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 6500 | 4.5 | 11.60 | P-110 | Buttress | 6500 | 6500 | 3.875 | 567.2 |

| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 3545 | 7580 | 2.138 | 3545 | 10690 | 3.02 | 64 | 367 | ~~5.78~~ B |

Prepared by: Helen Sadik-Macdonald, Div of Oil,Gas & Minerals

Phone: 801-538-5357

FAX: 801-359-3940

Date: May 14,2008

Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 6500 ft, a mud weight of 10.5 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

**STATE OF UTAH**
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

# ENTITY ACTION FORM

Operator: EOG Resources, Inc.
Operator Account Number: N 9550
Address: 600 17th St., Suite 1000N
city Denver
state CO zip 80202
Phone Number: (303) 824-5526

**Well 1**

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|---|---|---|---|---|---|---|---|
| 43-047-38510 | Natural Buttes Unit 573-17E | | SESE | 17 | 10S | 21E | Uintah |
| **Action Code** | **Current Entity Number** | **New Entity Number** | **Spud Date** | | | **Entity Assignment Effective Date** | |
| B | 99999 | 2900 | 5/9/2008 | | | 5/29/08 | |

**Comments:** Wasatch/Mesaverde well

**Well 2**

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|---|---|---|---|---|---|---|---|
| 43-047-37512 | Natural Buttes Unit 561-17E | | SWSE | 17 | 10S | 21E | Uintah |
| **Action Code** | **Current Entity Number** | **New Entity Number** | **Spud Date** | | | **Entity Assignment Effective Date** | |
| B | 99999 | 2900 | 5/9/2008 | | | 5/29/08 | |

**Comments:** Wasatch/Mesaverde well

**Well 3**

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|---|---|---|---|---|---|---|---|
| 43-047-38862 | Chapita Wells Unit 722-32 | | NESE | 32 | 9S | 23E | Uintah |
| **Action Code** | **Current Entity Number** | **New Entity Number** | **Spud Date** | | | **Entity Assignment Effective Date** | |
| A | 99999 | 16862 | 5/12/2008 | | | 5/29/08 | |

**Comments:** Wasatch well

**ACTION CODES:**

- **A** - Establish new entity for new well (single well only)
- **B** - Add new well to existing entity (group or unit well)
- **C** - Re-assign well from one existing entity to another existing entity
- **D** - Re-assign well from one existing entity to a new entity
- **E** - Other (Explain in 'comments' section)

Mary A. Maestas
Name (Please Print)
Mary A. Maestas
Signature
Regulatory Assistant
Title
5/13/2008
Date

RECEIVED
MAY 13 2008
DIV. OF OIL, GAS & MINING

(5/2000)

**STATE OF UTAH**
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

# SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-3355

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME: Chapita Wells Unit

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Chapita Wells Unit 722-32

2. NAME OF OPERATOR: EOG Resources, Inc.

9. API NUMBER: 43-047-38862

3. ADDRESS OF OPERATOR: 600 17th St., Suite 1000N CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 824-5526

10. FIELD AND POOL, OR WILDCAT: Natural Buttes/Wasatch

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2071' FSL & 713' FEL 39.990914 LAT 109.343875 LON

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 32 9S 23E S.L.B. & M.

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|---|
| ☐ NOTICE OF INTENT (Submit in Duplicate) | ☐ ACIDIZE | ☐ DEEPEN | ☐ REPERFORATE CURRENT FORMATION |
| Approximate date work will start: _____ | ☐ ALTER CASING | ☐ FRACTURE TREAT | ☐ SIDETRACK TO REPAIR WELL |
| | ☐ CASING REPAIR | ☐ NEW CONSTRUCTION | ☐ TEMPORARILY ABANDON |
| | ☐ CHANGE TO PREVIOUS PLANS | ☐ OPERATOR CHANGE | ☐ TUBING REPAIR |
| | ☐ CHANGE TUBING | ☐ PLUG AND ABANDON | ☐ VENT OR FLARE |
| ☑ SUBSEQUENT REPORT (Submit Original Form Only) | ☐ CHANGE WELL NAME | ☐ PLUG BACK | ☐ WATER DISPOSAL |
| Date of work completion: _____ | ☐ CHANGE WELL STATUS | ☐ PRODUCTION (START/RESUME) | ☐ WATER SHUT-OFF |
| | ☐ COMMINGLE PRODUCING FORMATIONS | ☐ RECLAMATION OF WELL SITE | ☑ OTHER: Well spud |
| | ☐ CONVERT WELL TYPE | ☐ RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The referenced well spud on 5/12/2008.

NAME (PLEASE PRINT) Mary A. Maestas TITLE Regulatory Assistant

SIGNATURE Mary A. Maestas DATE 5/13/2008

(This space for State use only)

RECEIVED
MAY 15 2008
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

**STATE OF UTAH**
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

# SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-3355

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME: Chapita Wells Unit

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Chapita Wells Unit 722-32

2. NAME OF OPERATOR: EOG Resources, Inc.

9. API NUMBER: 43-047-38862

3. ADDRESS OF OPERATOR: 600 17th St., Suite 1000N CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 824-5526

10. FIELD AND POOL, OR WILDCAT: Natural Buttes/Wasatch

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2071' FSL & 713' FEL 39.990914 LAT 109.343875 LON

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 32 9S 23E S.L.B. & M.

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|---|
| ☑ NOTICE OF INTENT (Submit in Duplicate) | ☐ ACIDIZE | ☐ DEEPEN | ☐ REPERFORATE CURRENT FORMATION |
| Approximate date work will start: | ☐ ALTER CASING | ☐ FRACTURE TREAT | ☐ SIDETRACK TO REPAIR WELL |
| | ☐ CASING REPAIR | ☐ NEW CONSTRUCTION | ☐ TEMPORARILY ABANDON |
| | ☐ CHANGE TO PREVIOUS PLANS | ☐ OPERATOR CHANGE | ☐ TUBING REPAIR |
| | ☐ CHANGE TUBING | ☐ PLUG AND ABANDON | ☐ VENT OR FLARE |
| ☐ SUBSEQUENT REPORT (Submit Original Form Only) | ☐ CHANGE WELL NAME | ☐ PLUG BACK | ☑ WATER DISPOSAL |
| Date of work completion: | ☐ CHANGE WELL STATUS | ☐ PRODUCTION (START/RESUME) | ☐ WATER SHUT-OFF |
| | ☐ COMMINGLE PRODUCING FORMATIONS | ☐ RECLAMATION OF WELL SITE | ☐ OTHER: |
| | ☐ CONVERT WELL TYPE | ☐ RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. requests authorization for disposal of produced water from the referenced well to any of the following locations.

1. Natural Buttes Unit 21-20B SWD
2. Chapita Wells Unit 550-30N SWD
3. Chapita Wells Unit 2-29 SWD
4. Red Wash Evaporation ponds 1, 2, 3 & 4
5. RN Industries

**Accepted by the Utah Division of Oil, Gas and Mining**
**FOR RECORD ONLY**

NAME (PLEASE PRINT) Mary A. Maestas TITLE Regulatory Assistant

SIGNATURE Mary A. Maestas DATE 5/13/2008

**(This space for State use only)**

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DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

FORM 9

**STATE OF UTAH**
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-3355

# SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: Chapita Wells Unit

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Chapita Wells Unit 722-32

2. NAME OF OPERATOR: EOG Resources, Inc.

9. API NUMBER: 43-047-38862

3. ADDRESS OF OPERATOR: 600 17th St., Suite 1000N CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 824-5526

10. FIELD AND POOL, OR WILDCAT: Natural Buttes/Wasatch

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2071' FSL & 713' FEL 39.990914 LAT 109.343875 LON

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 32 9S 23E S.L.B. & M.

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|---|
| ☑ NOTICE OF INTENT (Submit in Duplicate) | ☐ ACIDIZE | ☐ DEEPEN | ☐ REPERFORATE CURRENT FORMATION |
| Approximate date work will start: _____ | ☐ ALTER CASING | ☐ FRACTURE TREAT | ☐ SIDETRACK TO REPAIR WELL |
| | ☐ CASING REPAIR | ☐ NEW CONSTRUCTION | ☐ TEMPORARILY ABANDON |
| | ☑ CHANGE TO PREVIOUS PLANS | ☐ OPERATOR CHANGE | ☐ TUBING REPAIR |
| | ☐ CHANGE TUBING | ☐ PLUG AND ABANDON | ☐ VENT OR FLARE |
| ☐ SUBSEQUENT REPORT (Submit Original Form Only) | ☐ CHANGE WELL NAME | ☐ PLUG BACK | ☐ WATER DISPOSAL |
| Date of work completion: | ☐ CHANGE WELL STATUS | ☐ PRODUCTION (START/RESUME) | ☐ WATER SHUT-OFF |
| | ☐ COMMINGLE PRODUCING FORMATIONS | ☐ RECLAMATION OF WELL SITE | ☐ OTHER: _____ |
| _____ | ☐ CONVERT WELL TYPE | ☐ RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. requests authorization to change the drilling plan for the referenced well.

A revised drilling plan is attached.

COPY SENT TO OPERATOR
Date: 6·24·2008
Initials: KS

RECEIVED
JUN 06 2008
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Mary A. Maestas TITLE Regulatory Assistant

SIGNATURE Mary A. Maestas DATE 6/5/2008

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 6/23/08
BY: Dustin K Doucet
* Cement shall be brought back to depths specified in plan

(5/2000) (See Instructions on Reverse Side)

# EIGHT POINT PLAN

## CHAPITA WELLS UNIT 722-32
## NE/SE, SEC. 32, T9S, R23E, S.L.B.&M.
## UINTAH COUNTY, UTAH

### 1. & 2 ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

| FORMATION | DEPTH (KB) |
|---|---|
| Green River FM | 1,355' |
| Wasatch | 4,289' |
| Chapita Wells | 4,824' |
| Buck Canyon | 5,510' |
| North Horn | 6,109' |
| Island | 6,331' |

**EST. TD: 6,500' or 200' ± below Island Top** **Anticipated BHP: 3,210 Psig**

1. Fresh Waters may exist in the upper, approximately 1,000 ft ± of the Green River Formation, with top at about 2,000 ft ±.
2. Cement isolation is installed to surface of the well isolating all zones by cement.

### 3. PRESSURE CONTROL EQUIPMENT:

Production Hole – 5000 Psig
BOP schematic diagrams attached.

### 4. CASING PROGRAM:

| | HOLE SIZE | INTERVAL | SIZE | WEIGHT | GRADE | THREAD | RATING FACTOR COLLAPSE | /BURST/ | TENSILE |
|---|---|---|---|---|---|---|---|---|---|
| **Conductor:** | 17 ½" | 0' – 45' | 13 ⅜" | 48.0# | H-40 | STC | 770 PSI | 1730 PSI | 322,000# |
| **Surface** | 12-1/4" | 45' – 2,300'KB± | 9-⅝" | 36.0# | J-55 | STC | 2020 PSI | 3520 Psi | 394,000# |
| **Production:** | 7-7/8" | 2,300'± – TD | 4-½" | 11.6# | N-80 | LTC | 6350 PSI | 7780 Psi | 223,000# |

**Note: 12-¼" surface hole will be drilled to a total depth of 200'± below the base of the Green River lost circulation zone and cased w/9-⅝" as shown to that depth. Drilled depth may be shallower or deeper than the 2300' shown above depending on the actual depth of the loss zone. All casing will be new or inspected.**

### 5. Float Equipment:

**Surface Hole Procedure (0'- 2300'±)**
Guide Shoe
Insert Float Collar (PDC drillable)
Centralizers: 1-5' above shoe, top of jts. #2 and #3 then every 5th joint to surface. (15 total)

**Float Equipment: (Cont'd)**

**Production Hole Procedure (2300'± - TD):**

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-½", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Wasatch Island top. (30± total). Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

## 6. MUD PROGRAM

**Surface Hole Procedure (Surface - 2300'±):**

Air/air mist or aerated water.

**Production Hole Procedure (2300'± - TD):** Anticipated mud weight 9.0 – 9.5 ppg depending on actual wellbore conditions encountered while drilling.

**2300'± - TD** A closed mud system will be utilized. A bentonite gelled water mud system will be used to control viscosity w/PHPA polymer used for supplemental viscosity and clay encapsulation/inhibition. Water loss will be maintained at <15cc's using white starch or PAC. Bactericides will be used as needed. Anticipated pH will range from 9.0-10.0. Mud weight will be adjusted as necessary for well control. Deflocculants/thinners will be used as necessary to maintain mud quality. LCM sweeps will be utilized as necessary to control lost circulation and mud loss. CO2 contamination, if encountered, will be treated with lime and gypsum.

## 7. VARIANCE REQUESTS:

**Reference:** **Onshore Oil and Gas Order No. 2 – Item E: Special Drilling Operations**

EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. Due to reduce location excavation, the blooie line will be approximately 75' in length

## 8. EVALUATION PROGRAM:

**Logs:** Mud log from base of surface casing to TD.
**Cased-hole Logs:** Cased-hole logs will be run in lieu of open-hole logs consisting of the following: **Cement Bond / Casing Collar Locator and Pulsed Neutron**

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 722-32**
**NE/SE, SEC. 32, T9S, R23E, S.L.B.&M.**
**UINTAH COUNTY, UTAH**

## 9. CEMENT PROGRAM:

**Surface Hole Procedure (Surface - 2300'±):**

**Lead:** Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt, 2% $CaCl_2$, 3 lb/sx GR3 ¼ #/sx Flocele mixed at 11 ppg, 3.82 $ft^3$/sk. yield, 23 gps water.

**Tail:** Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 $ft^3$/sk., 5.2 gps water.

**Top Out:** As necessary with Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 $ft^3$/sk., 5.2 gps water.

**Note:** Cement volumes will be calculated to bring lead cement to surface and tail cement to 500'above the casing shoe.

**Production Hole Procedure (2300'± - TD)**

**Lead:** **110 sks:** 35:65 Poz "G" w/4% D20 (Bentonite), 2% D174 (Extender), 0.2% D65 (Dispersant),0.2% D46 (Antifoam), 0.75% D112 (Fluid Loss Additive), 0.200% D13 (Retarder), 0.25 pps D29 (cello flakes) mixed at 13.0 ppg, 1.75 $ft^3$/sk., 9.19 gps water.

**Tail:** **480 sks**: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 $ft^3$/sk., 5.9gps water.

**Note**: The above number of sacks is based on gauge-hole calculation.
Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe.
Tail volume to be calculated to bring cement to 400'± above top of Wasatch.
**Final Cement volumes will be based upon gauge-hole plus 45% excess.**

## 10. ABNORMAL CONDITIONS:

**Surface Hole (Surface - 2300'±):**

Lost circulation

**Production Hole (2300'± - TD):**
Sloughing shales, lost circulation and key seat development are possible in the Wasatch Formation.

**EIGHT POINT PLAN**

**CHAPITA WELLS UNIT 722-32**
**NE/SE, SEC. 32, T9S, R23E, S.L.B.&M.**
**UINTAH COUNTY, UTAH**

## 11. STANDARD REQUIRED EQUIPMENT:

A. Choke Manifold
B. Upper and Lower Kelly Cock
C. Stabbing Valve
D. Visual Mud Monitoring

## 12. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

(Attachment: BOP Schematic Diagram)

## VARIANCE REQUESTS:

**Reference:** **Onshore Oil and Gas Order No. 1**
**Onshore Oil and Gas Order No. 2 – Section E: Special Drilling Operations**

- EOG Resources, Inc. requests a variance to regulations requiring a straight run blooie line to be 100' in length. (Where possible, a straight run blooie line will be used).
- EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be approximately 75' in length.
- EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring dedusting equipment. Dust during air drilling operations is controlled by water mist.
- EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring an automatic igniter or continuous pilot light on the blooie line. (Not required on aerated water system).
- EOG Resources, Inc. requests a variance that compressors are located in the opposite direction from the blooie line a minimum of 100 feet from the well bore. (Air Compressors are rig mounted).

## AIR DRILLING OPERATIONS:

- Main Air Compressors are 1250 CFM 350 psi with 2000 psi Boosters and are rig mounted.
- Secondary Air Compressors are 1170 CFM 350 psi with 2000 psi Boosters and are rig mounted.
- Minimum setting depth of conductor casing will be 60' GL or 10'± into competent formation, whichever is deeper, as determined by the EOG person in charge. Exceptions must be approved by an EOG drilling superintendent or manager.
- The diameter of the diverter flow line will be a minimum of 10" to help reduce back pressure on the well bore during uncontrolled flow.
- Rat and Mouse hole drilling will occur only after surface casing has been set and cemented.
- EOG Resources, Inc. will use a properly maintained and lubricated stripper head.

| | |
|---|---|
| Well name: | **2008-05 EOG CWU 722-32(revII2006-12)** |
| Operator: | **EOG Resources Inc.** |
| String type: | Production |
| Project ID: | 43-047-38862 |
| Location: | Uintah County |

**Design parameters:**

**Collapse**

Mud weight: 10.500 ppg
Design is based on evacuated pipe.

**Burst**

Max anticipated surface pressure: 2,115 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 3,545 psi

No backup mud specified.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Tension:**

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 5,480 ft

**Environment:**

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 166 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 2,958 ft

**Non-directional string.**

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity ($ft^3$) |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 6500 | 4.5 | 11.60 | N-80 | LT&C | 6500 | 6500 | 3.875 | 567.2 |

| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 3545 | 6350 | 1.791 | 3545 | 7780 | 2.19 | 64 | 223 | 3.51 J |

Prepared by: Helen Sadik-Macdonald
Div of Oil,Gas & Minerals
Phone: 801-538-5357
FAX: 801-359-3940
Date: June 23,2008
Salt Lake City, Utah

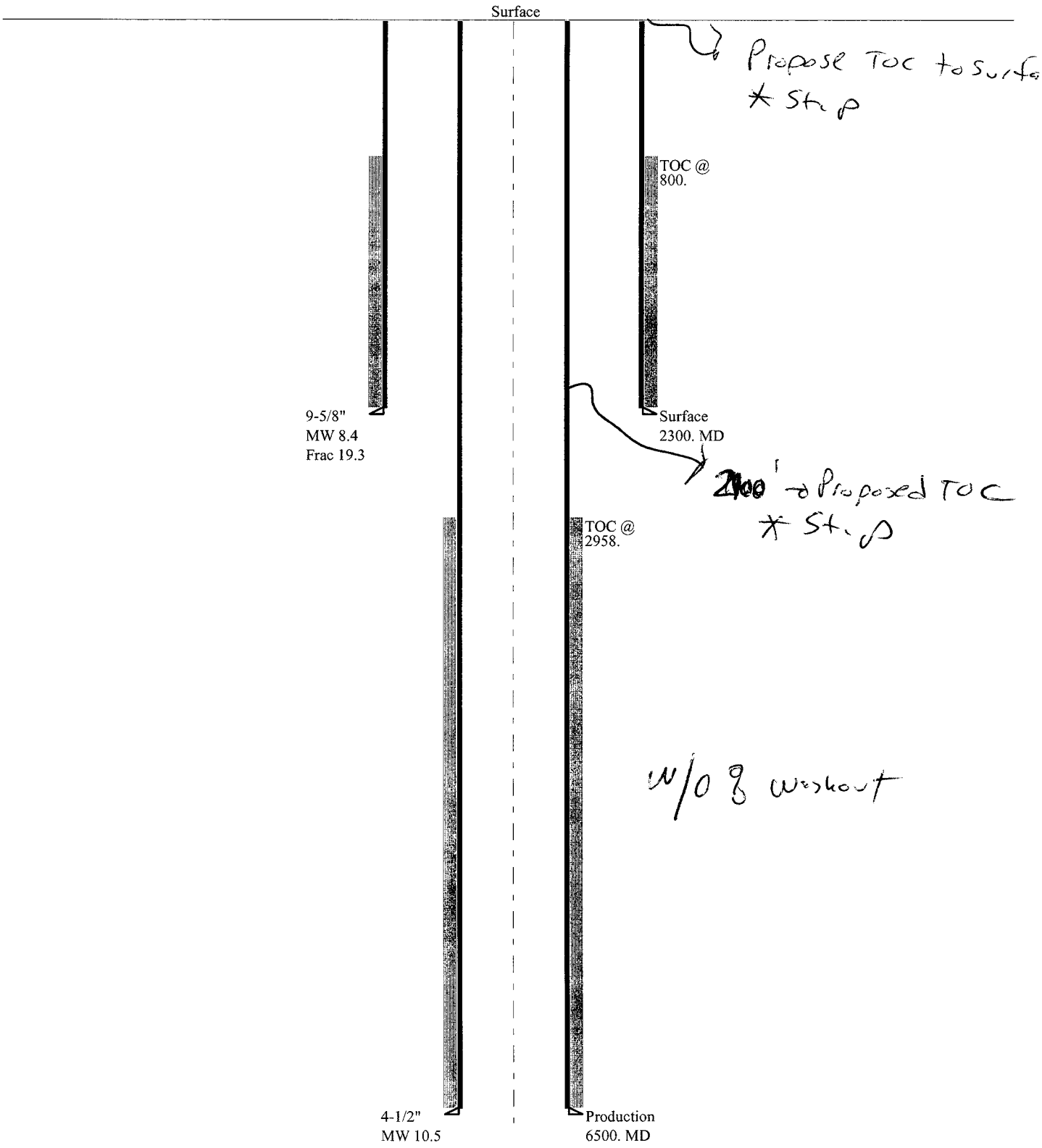
Remarks:
Collapse is based on a vertical depth of 6500 ft, a mud weight of 10.5 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

# 2008-05 EOG CWU 722-32(revII2006-12)

Casing Schematic



FORM 9

**STATE OF UTAH**
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-3355

# SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: Chapita Wells Unit

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Chapita Wells Unit 722-32

2. NAME OF OPERATOR: EOG Resources, Inc.

9. API NUMBER: 43-047-38862

3. ADDRESS OF OPERATOR: 600 17th St., Suite 1000N CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 824-5526

10. FIELD AND POOL, OR WILDCAT: Natural Buttes/Wasatch

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2071' FSL & 713' FEL 39.990914 LAT 109.343875 LON

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 32 9S 23E S.L.B. & M.

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|---|
| ☐ NOTICE OF INTENT (Submit in Duplicate) | ☐ ACIDIZE | ☐ DEEPEN | ☐ REPERFORATE CURRENT FORMATION |
| *Approximate date work will start:* | ☐ ALTER CASING | ☐ FRACTURE TREAT | ☐ SIDETRACK TO REPAIR WELL |
| | ☐ CASING REPAIR | ☐ NEW CONSTRUCTION | ☐ TEMPORARILY ABANDON |
| | ☐ CHANGE TO PREVIOUS PLANS | ☐ OPERATOR CHANGE | ☐ TUBING REPAIR |
| | ☐ CHANGE TUBING | ☐ PLUG AND ABANDON | ☐ VENT OR FLARE |
| ☑ SUBSEQUENT REPORT (Submit Original Form Only) | ☐ CHANGE WELL NAME | ☐ PLUG BACK | ☐ WATER DISPOSAL |
| Date of work completion: | ☐ CHANGE WELL STATUS | ☑ PRODUCTION (START/RESUME) | ☐ WATER SHUT-OFF |
| | ☐ COMMINGLE PRODUCING FORMATIONS | ☐ RECLAMATION OF WELL SITE | ☐ OTHER: |
| | ☐ CONVERT WELL TYPE | ☐ RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The referenced well was turned to sales on 8/26/2008. Please see the attached operations summary report for drilling and completion operations performed on the subject well.

NAME (PLEASE PRINT) Mary A. Maestas TITLE Regulatory Assistant

SIGNATURE Mary A. Maestas DATE 9/2/2008

(This space for State use only)

RECEIVED
SEP 08 2008
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

# WELL CHRONOLOGY REPORT

**Report Generated On: 09-02-2008**

| | | | | | |
|---|---|---|---|---|---|
| **Well Name** | CWU 722-32 | **Well Type** | DEVG | **Division** | DENVER |
| **Field** | CHAPITA WELLS UNIT | **API #** | 43-047-38862 | **Well Class** | 1SA |
| **County, State** | UINTAH, UT | **Spud Date** | 06-06-2008 | **Class Date** | 08-26-2008 |
| **Tax Credit** | N | **TVD / MD** | 6,500/ 6,500 | **Property #** | 059748 |
| **Water Depth** | 0 | **Last CSG** | 0.0 | **Shoe TVD / MD** | 5,131/ 5,131 |
| **KB / GL Elev** | 5,215/ 5,202 | | | | |
| **Location** | Section 32, T9S, R23E, NESE, 2071 FSL & 713 FEL | | | | |

| | | | | | |
|---|---|---|---|---|---|
| **Event No** | 1.0 | **Description** | DRILL & COMPLETE | | |
| **Operator** | EOG RESOURCES, INC | **WI %** | 100.0 | **NRI %** | 82.5 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **AFE No** | 304228 | **AFE Total** | 1,303,300 | **DHC / CWC** | 694,700/ 608,600 | | |
| **Rig Contr** | ELENBURG | **Rig Name** | ELENBURG #28 | **Start Date** | 11-16-2006 | **Release Date** | 06-12-2008 |

**11-16-2006** **Reported By** SHARON CAUDILL

| | | | | | |
|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $0 | **Completion** | $0 | **Daily Total** | $0 |
| **Cum Costs: Drilling** | $0 | **Completion** | $0 | **Well Total** | $0 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **MD** | 0 | **TVD** | 0 | **Progress** | 0 | **Days** | 0 | **MW** | 0.0 | **Visc** | 0.0 |

**Formation :** **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

**Activity at Report Time:** LOCATION DATA

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 06:00 | 24.0 | LOCATION DATA<br>2071' FSL & 713' FEL (NE/SE)<br>SECTION 32, T9S, R23E<br>UINTAH COUNTY, UTAH<br><br>LAT 39.990947, LONG 109.343197 (NAD 27)<br>LAT 39.990914, LONG 109.343875 (NAD 83)<br><br>ELENBURG #28<br>OBJECTIVE: 6500' TD, NORTH HORN<br>DW/GAS<br>CHAPITA WELLS PROSPECT<br>DD&A: NATURAL BUTTES<br>NATURAL BUTTES FIELD<br><br>LEASE: ML 3355<br>ELEVATION: 5202' NAT GL, 5202' PREP GL (DUE TO ROUNDING THE PREP GL IS 5202'), 5215' KB (13')<br><br>EOG WI 100%, NRI 82.5% |

**05-06-2008** **Reported By** DAN/STEVE

**DailyCosts: Drilling** $38,000 **Completion** $0 **Daily Total** $38,000
**Cum Costs: Drilling** $38,000 **Completion** $0 **Well Total** $38,000
**MD** 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
**Formation :** **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0
**Activity at Report Time:** BUILD LOCATION

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 06:00 | 24.0 | START CONSTRUCTION OF LOCATION. |

**05-07-2008** **Reported By** TERRY CSERE

**DailyCosts: Drilling** $0 **Completion** $0 **Daily Total** $0
**Cum Costs: Drilling** $38,000 **Completion** $0 **Well Total** $38,000
**MD** 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
**Formation :** **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0
**Activity at Report Time:** BUILD LOCATION

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 06:00 | 24.0 | LOCATION 20% COMPLETE. |

**05-08-2008** **Reported By** TERRY CSERE

**DailyCosts: Drilling** $0 **Completion** $0 **Daily Total** $0
**Cum Costs: Drilling** $38,000 **Completion** $0 **Well Total** $38,000
**MD** 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
**Formation :** **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0
**Activity at Report Time:** BUILD LOCATION

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 06:00 | 24.0 | LOCATION IS 60% COMPLETE. |

**05-09-2008** **Reported By** TERRY CSERE

**DailyCosts: Drilling** $0 **Completion** $0 **Daily Total** $0
**Cum Costs: Drilling** $38,000 **Completion** $0 **Well Total** $38,000
**MD** 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
**Formation :** **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0
**Activity at Report Time:** BUILD LOCATION

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 06:00 | 24.0 | LOCATION IS 75% COMPLETE. |

**05-12-2008** **Reported By** TERRY CSERE

**DailyCosts: Drilling** $0 **Completion** $0 **Daily Total** $0
**Cum Costs: Drilling** $38,000 **Completion** $0 **Well Total** $38,000
**MD** 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
**Formation :** **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0
**Activity at Report Time:** BUILD LOCATION

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 06:00 | 24.0 | LINE TODAY. WEATHER PERMITTING. |

**05-13-2008** **Reported By** TERRY CSERE/KAYLENE GARDNER

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $0 | **Completion** | $0 | **Daily Total** | $0 | | |
| **Cum Costs: Drilling** | $38,000 | **Completion** | $0 | **Well Total** | $38,000 | | |
| **MD** 60 | **TVD** 60 | **Progress** 0 | **Days** 0 | **MW** 0.0 | **Visc** 0.0 | | |
| **Formation :** | **PBTD :** 0.0 | | **Perf :** | **PKR Depth :** 0.0 | | | |

**Activity at Report Time:** BUILD LOCATION/SPUD NOTIFICATION

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 06:00 | 24.0 | LOCATION COMPLETE. – CRAIG'S ROUSTABOUT SERVICE SPUD A 20" HOLE ON 05/12/08 @ 3:30 PM. SET 60' OF 14" CONDUCTOR. CEMENT TO SURFACE WITH READY MIX. JERRY BARNES NOTIFIED CAROL DANIELS W/UDOGM & MICHAEL LEE W/BLM OF THE SPUD 05/12/08 @ 3:00 PM. |

**06–02–2008** **Reported By** JERRY BARNES

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $231,421 | **Completion** | $0 | **Daily Total** | $231,421 | | |
| **Cum Costs: Drilling** | $269,421 | **Completion** | $0 | **Well Total** | $269,421 | | |
| **MD** 2,221 | **TVD** 2,221 | **Progress** 0 | **Days** 0 | **MW** 0.0 | **Visc** 0.0 | | |
| **Formation :** | **PBTD :** 0.0 | | **Perf :** | **PKR Depth :** 0.0 | | | |

**Activity at Report Time:** WORT

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 06:00 | 24.0 | MIRU ASPEN DRILLING RIG #14 ON 5/17/2008. DRILLED 12–1/4" HOLE TO 2237' GL. LOST RETURNS @ 560'. RAN 52 JTS (2208.81') OF 9–5/8", 36.0#, J–55, ST&C CASING WITH HALLIBURTON GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2221' KB. RDMO ASPEN RIG.<br><br>MIRU HALLIBURTON CEMENTERS. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1500 PSIG. PUMPED 172 BBLS FRESH WATER & 20 BBLS GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 400 SX (84 BBLS) OF PREMIUM CEMENT W/2 % CACL2. MIXED CEMENT @ 15.6 PPG W/YIELD OF 1.18 CF/SX.<br><br>DISPLACED CEMENT W/169 BBLS FRESH WATER. BUMPED PLUG W/650# @ 7:40 PM, 5/21/2008. CHECKED FLOAT, FLOAT HELD. SHUT–IN CASING VALVE. NO RETURNS.<br><br>TOP JOB # 1: MIXED & PUMPED 100 SX (20.5 BBLS) OF PREMIUM CEMENT W/2 % CACL2. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 12 HRS. RDMO HALLIBURTON CEMENTERS.<br><br>TOP JOB # 2: MIRU HALLIBURTON CEMENTERS. MIXED & PUMPED 200 SX (41 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 2 HRS.<br><br>TOP JOB # 3: MIXED & PUMPED 200 SX (41 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT TO 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 4 HRS.<br><br>TOP JOB # 4: MIXED & PUMPED 200 SX (41 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. NO RETURNS. WOC 16 HRS 30 MINUTES. RDMO HALLIBURTON CEMENTERS.<br><br>TOP JOB # 5: MIRU HALLIBURTON CEMENTERS. MIXED & PUMPED 150 SX (30.7 BBLS) OF PREMIUM CEMENT W/2% CACL2. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. HOLE FILLED W/CEMENT & STOOD FULL. RDMO HALLIBURTON CEMENTERS.<br><br>PREPARED LOCATION FOR ROTARY RIG. WORT. WILL DROP FROM REPORT UNTIL FURTHER ACTIVITY. |

ASPEN RIG 14 TOOK SURVEYS WHEN DRILLING HOLE @ 307' – 1.0°, 607' – 0.5°, 907' – 1.0°, 1207' – BULLS EYE, 1507' – 1.25°, 1807' – 1.0°, 2230' – 1.25°.

CONDUCTOR LEVEL RECORD: PS= 90.0 OPS= 90.0 VDS= 89.8 MS= 89.9.

9 5/8 CASING LEVEL RECORD: PS= 89.9 OPS= 90.0 VDS= 89.9 MS= 89.9.

LESTER FARNSWORTH NOTIFIED ROOSEVELT OFFICE W/UDOGM OF THE SURFACE CASING & CEMENT JOB ON 5/20/2008 @ 12:15 PM.

---

**06–06–2008** **Reported By** MATT WILLIAMS

| | | | | | |
|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $82,262 | **Completion** | $0 | **Daily Total** | $82,262 |
| **Cum Costs: Drilling** | $351,683 | **Completion** | $0 | **Well Total** | $351,683 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **MD** | 2,322 | **TVD** | 2,322 | **Progress** | 85 | **Days** | 1 | **MW** | 0.0 | **Visc** | 0.0 |

**Formation :** **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

**Activity at Report Time:** DRILLING @ 2322'

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 15:00 | 9.0 | MOVE FROM CWU 698–32 TO CWU 722–32 & RIG UP. TRUCKS OFF LOCATION @ 12:00 NOON. INSTALL NIGHT CAP W/FMC.SETBOP AND TEST DTO HEAD W/ FMC & LOCK DOWN BOP. |
| 15:00 | 19:00 | 4.0 | NIPPLE UP BOP, ROT HEAD, CHOKE LINE, KILL LINE VALVES, HYD. HOSES, FUNCTION TEST BOP. RIG ON DAY WORK @ 15:00 HRS, 6/5/08. |
| 19:00 | 22:00 | 3.0 | TEST BOPE AS PER PROGRAM. NOTIFIED STATE REP, DAVID HACKFORD VERNAL OFFICE ON 6/05/08 @ 07: 30 HRS FOR BOP TEST. |
| | | | INSIDE BOP, SAFETY VALVE, UPPER KELLY COCK 250/5000 PSI 5/10 MIN. |
| | | | HCR, CHOKE LINE, KILL LINE, 250/5000 PSI 5/10 MIN. |
| | | | CHOKE MANIFOLD, 250/5000 PSI 5/10 MIN. |
| | | | PIPE RAMS, BLIND RAMS, 250/5000 PSI 5/10 MIN. |
| | | | ANNULAR, 250/2500 PSI 5/10 MIN. |
| | | | TEST 9 5/8" CASING TO1500 PSI 30 MIN. |
| | | | WITNESS: DARYL DUNCAN |
| 22:00 | 22:30 | 0.5 | INSTALL WEAR BUSHING. |
| 22:30 | 03:00 | 4.5 | P/U AND TRIP IN HOLE WITH BHA. TAG @ 2130'. |
| 03:00 | 04:00 | 1.0 | DRILL CEMENT/FLOAT EQUIP F/2130' TO 2237' + 10' OF NEW HOLE TO 2247'. |
| 04:00 | 04:30 | 0.5 | CIRCULATE CLEAN. |
| 04:30 | 05:00 | 0.5 | FIT @ 2247', 190 PSI, 8.9 M/W = 10.5 EMW. |
| 05:00 | 06:00 | 1.0 | DRILLING FROM 2237' TO 2322', ROP 85, WOB 10/14, RPM 40, TQ 1200/1400. |
| | | | MUD LOSS LAST 24 HRS. 0 BBLS. |
| | | | MUD WT.8.9 VIS.29. |
| | | | ROT 80, P/U 82, S/O 80. |
| | | | ACCIDENTS NONE REPORTED. |
| | | | FUNCTION CROWN–O–MATIC. |
| | | | SAFETY MEETING: MOVING RIG,TESTING BOPE. |
| | | | CREWS FULL. |
| | | | FUEL ON HAND: 5424, GALS. USED: 213, GALS, REC, 4000 GAL. |

GAS BG.40 U, CONN. 80 U.
LITHOLOGY; SHALE.
MUD LOGGER UNMANED ON LOCATION F/ 6/05/08 (1 DAY).

| | | | |
|---|---|---|---|
| 06:00 | 06:00 | 24.0 | SPUD 7-7/8" HOLE @ 05:00 ON 6/06/08 |

**06-07-2008** **Reported By** MATT WILLIAMS

| | | | | | |
|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $27,470 | **Completion** | $0 | **Daily Total** | $27,470 |
| **Cum Costs: Drilling** | $379,153 | **Completion** | $0 | **Well Total** | $379,153 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **MD** | 4,677 | **TVD** | 4,677 | **Progress** | 2,355 | **Days** | 2 | **MW** | 8.9 | **Visc** | 28.0 |

**Formation :** **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

**Activity at Report Time:** DRILLING @ 4677'

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 12:30 | 6.5 | DRILLING FROM 2322' TO 3319', ROP 153, WOB 12/18, RPM 40/50, TQ 1200/1800. |
| 12:30 | 13:00 | 0.5 | SERVICE RIG. |
| 13:00 | 06:00 | 17.0 | DRILLING FROM 3319' TO 4677', ROP 79, WOB 12/23, RPM 40/50, TQ 1200/2200. |

MUD LOSS LAST 24 HRS. 0 BBLS.
MUD WT.9.1 VIS.32.
ROT 132, P/U 135, S/O 130.
ACCIDENTS NONE REPORTED.
FUNCTION CROWN-O-MATIC.
SAFETY MEETING: WORKING ON PUMPS,REPLACE FAN ON LIGHT PLANT.
CREWS FULL.
FUEL ON HAND: 4137, GALS. USED: 1287, GALS, REC, 0 GAL.
GAS BG.40 U, CONN. 80 U.
LITHOLOGY; SAND/SHALE.
MUD LOGGER UNMANED ON LOCATION F/ 6/05/08 (2 DAYS).

**06-08-2008** **Reported By** MATT WILLIAMS

| | | | | | |
|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $27,803 | **Completion** | $0 | **Daily Total** | $27,803 |
| **Cum Costs: Drilling** | $406,956 | **Completion** | $0 | **Well Total** | $406,956 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **MD** | 5,402 | **TVD** | 5,402 | **Progress** | 725 | **Days** | 3 | **MW** | 9.5 | **Visc** | 36.0 |

**Formation :** **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

**Activity at Report Time:** DRILLING @ 5402'

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 14:30 | 8.5 | DRILLING FROM 4677' TO 5040', ROP 43, RPM 30/70, WOB 10/25, TQ 800/2200. |
| 14:30 | 15:00 | 0.5 | SERVICE RIG. |
| 15:00 | 06:00 | 15.0 | DRILLING FROM 5040 TO 5402', ROP 24, WOB 8/27, RPM 20/65, TQ 800/3000. |

MUD LOSS LAST 24 HRS. 0 BBLS.
MUD WT.9.5 VIS.34.
ROT 132, P/U 140, S/O 135.
ACCIDENTS NONE REPORTED.

FUNCTION CROWN-O-MATIC.
SAFETY MEETING: WORKING ABOVE 6', OPERATING FORKLIFT.
CREWS FULL.
FUEL ON HAND: 2463, GALS. USED: 1674, GALS, REC, 0 GAL.
GAS BG.40 U, CONN. 80 U.
LITHOLOGY; SAND/SHALE.
MUD LOGGER UNMANED ON LOCATION F/ 6/05/08 (3 DAYS).

**06-09-2008** **Reported By** MATT WILLIAMS

| | | | | | |
|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $33,024 | **Completion** | $0 | **Daily Total** | $33,024 |
| **Cum Costs: Drilling** | $439,981 | **Completion** | $0 | **Well Total** | $439,981 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **MD** | 5,538 | **TVD** | 5,538 | **Progress** | 136 | **Days** | 4 | **MW** | 9.6 | **Visc** | 37.0 |

**Formation :** **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

**Activity at Report Time:** RIG REPAIR

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 11:30 | 5.5 | DRILLING FROM 5402' TO 5538', ROP 24, WOB 10/28, RPM 20/65, TQ 600/2500. |
| 11:30 | 12:30 | 1.0 | SERVICE RIG. |
| 12:30 | 15:00 | 2.5 | C/O BOTH SWIVEL MOTORS. |
| 15:00 | 16:00 | 1.0 | CIRCULATE AND BUILD SLUG FOR TRIP OUT TO REPAIR SWIVEL. |
| 16:00 | 20:00 | 4.0 | TRIP OUT OF HOLE TO REPAIR SWIVEL. |
| 20:00 | 21:00 | 1.0 | REPAIR SLIPS. |
| 21:00 | 23:30 | 2.5 | CONTINUE TRIP OUT OF HOLE, L/D BHA TO REPAIR SWIVEL. |
| 23:30 | 02:00 | 2.5 | P/U AND TRIP IN HOLE W/ BHA TO 2121'. |
| 02:00 | 06:00 | 4.0 | REPAIR SWIVEL W/ ELENBURG MECHANICS. |

MUD LOSS LAST 24 HRS. 0 BBLS.
MUD WT.9.6 VIS.36.
ROT 132, P/U 140, S/O 135.
ACCIDENTS NONE REPORTED.
FUNCTION CROWN-O-MATIC.
SAFETY: WORKING ON SWIVEL.
CREWS FULL.
FUEL ON HAND: 1112, GALS. USED: 1351, GALS, REC, 0 GAL.
GAS BG.40 U, CONN. 80 U.
LITHOLOGY; SAND/SHALE.
MUD LOGGER UNMANED ON LOCATION F/ 6/05/08 (4 DAYS).

**06-10-2008** **Reported By** MATT WILLIAMS

| | | | | | |
|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $60,524 | **Completion** | $0 | **Daily Total** | $60,524 |
| **Cum Costs: Drilling** | $500,505 | **Completion** | $0 | **Well Total** | $500,505 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **MD** | 5,542 | **TVD** | 5,542 | **Progress** | 4 | **Days** | 5 | **MW** | 9.6 | **Visc** | 37.0 |

**Formation :** **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

**Activity at Report Time:** TOH W/MILL

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 09:00 | 3.0 | REPAIR SWIVEL. |

| | | | |
|---|---|---|---|
| 09:00 | 12:30 | 3.5 | TRIP IN HOLE FROM 2121' TO 5200'. |
| 12:30 | 13:30 | 1.0 | WASH/REAM FROM 5200' TO 5538'. (PREVIOUS PULLED BIT WAS MISSING ONE NOZZLE.) TAG BIT NOZZLE @ 5538'. |
| 13:30 | 15:00 | 1.5 | CIRCULATE AND CONDITION MUD. BUILD SLUG. |
| 15:00 | 19:00 | 4.0 | TRIP OUT OF HOLE WITH DRILL PIPE. |
| 19:00 | 19:30 | 0.5 | PULL ROTATING HEAD RUBBER. |
| 19:30 | 20:30 | 1.0 | LD BHA & TOOLS. |
| 20:30 | 21:00 | 0.5 | P/U BHA AND TOOLS, " MILL & JUNK BASKET". |
| 21:00 | 02:00 | 5.0 | TRIP IN HOLE TO 5493'. |
| 02:00 | 03:30 | 1.5 | REAM FROM 5493' TO 5538', WOM 2/3, RPM 40, TQ 800/1450. |
| 03:30 | 04:30 | 1.0 | MILL FROM 5538' TO 5542', WOM 2/10, RPM 40, TQ 800/1250. |
| 04:30 | 05:30 | 1.0 | PUMP SWEEP AND CIRCULATE HOLE CLEAN. |
| 05:30 | 06:00 | 0.5 | PUMP SLUG AND TRIP OUT OF HOLE. |

MUD LOSS LAST 24 HRS. 0 BBLS.
MUD WT.9.7 VIS.36.
ROT 135, P/U 140, S/O 130.
ACCIDENTS NONE REPORTED.
FUNCTION CROWN-O-MATIC.
SAFETY: TRIPPING PIPE.
CREWS FULL.
FUEL ON HAND: 4137, GALS. USED: 475, GALS, REC, 3500 GAL.
GAS BG.40 U, CONN. 80 U.
LITHOLOGY; SAND/SHALE.
MUD LOGGER UNMANED ON LOCATION F/ 6/05/08 (5 DAYS).

**06-11-2008** **Reported By** MATT WILLIAMS

| | | | | | |
|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $34,531 | **Completion** | $0 | **Daily Total** | $34,531 |
| **Cum Costs: Drilling** | $535,037 | **Completion** | $0 | **Well Total** | $535,037 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **MD** | 6,170 | **TVD** | 6,170 | **Progress** | 628 | **Days** | 6 | **MW** | 9.8 | **Visc** | 37.0 |

**Formation :** **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

**Activity at Report Time:** DRILLING @ 6170'

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 11:00 | 5.0 | TRIP OUT OF HOLE. |
| 11:00 | 12:00 | 1.0 | CLEAN OUT JUNK BASKET AND L/D. |
| 12:00 | 14:30 | 2.5 | P/U BHA AND TRIP IN HOLE TO 1810'. |
| 14:30 | 16:00 | 1.5 | SLIP & CUT DRILL LINE. |
| 16:00 | 16:30 | 0.5 | SERVICE RIG. |
| 16:30 | 19:30 | 3.0 | TRIP IN HOLE TO 5309'. |
| 19:30 | 20:30 | 1.0 | WASH AND REAM FROM 5309' TO 5542'. |
| 20:30 | 06:00 | 9.5 | DRILLING FROM 5542' TO 6170', ROP 66, WOB 15/21, RPM 40/45, TQ 1500/2100. |

MUD LOSS LAST 24 HRS. 0 BBLS.
MUD WT.9.9 VIS.38.
ROT 147, P/U 1153, S/O 144.
ACCIDENTS NONE REPORTED.
FUNCTION CROWN-O-MATIC.

SAFETY: TRIPPING PIPE,OPERATING BOOM.
CREWS FULL.
FUEL ON HAND: 3347 GALS. USED: 790, GALS, REC, 0 GAL.

GAS BG.40 U, CONN. 80 U.
LITHOLOGY; SAND/SHALE.
MUD LOGGER UNMANNED ON LOCATION F/ 6/05/08 (6 DAYS).

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**06-12-2008** **Reported By** WILLIAMS/FOREMAN/SCHLENKER

| | | | | | |
|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $30,466 | **Completion** | $0 | **Daily Total** | $30,466 |
| **Cum Costs: Drilling** | $565,503 | **Completion** | $0 | **Well Total** | $565,503 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **MD** | 6,500 | **TVD** | 6,500 | **Progress** | 330 | **Days** | 7 | **MW** | 0.0 **Visc** 0.0 |

**Formation :** **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

**Activity at Report Time:** RUNNING CASING @ 6500' TD

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 09:00 | 3.0 | DRILLING F/6170' TO 6500' TD, ROP 94.2, WOB 20, RPM 45/72, TQ 1500/1800. REACHED TD AT 9:00 AM, 6/11/08. |
| 09:00 | 12:30 | 3.5 | CIRCULATE & COND MUD FROM 9.9 TO 10.5 FOR LAYING DOWN DRILL PIPE. NOTIFIED BY E-MAIL DAVID HACKFORD, STATE OF UTAH OF PENDING CASING AND CEMENT ON THIS WELL. |
| 12:30 | 16:00 | 3.5 | WIPER TRIP, CIRCULATE & SPOT 130 BBL 11.5 PILL ON BOTTOM. |
| 16:00 | 22:30 | 6.5 | LD DRILL PIPE & BHA, REMOVE WEAR BUSHING. |
| 22:30 | 23:30 | 1.0 | SAFETY MTG W/CASING CREW & RIG PERSONNEL, RIG UP WEATHERFORD TO RUN CASING. |
| 23:30 | 06:00 | 6.5 | RUN CASING W/WEATHERFORD,136 JTS. 5400' |

MUD LOST LAST 24 HRS.0 BBLS.
ACCIDENTS NONE REPORTED
FUNCTION TEST CROWN-O-MATIC,
SAFETY MEETING: RUNNING CASING
CREWS FULL
FUEL ON HAND: 2586 GAL USED 761 GAL

FORMATION: PRICE RIVER
LITHOLOGY; SAND/ SHALE,
MUD LOGGER UNMANNED ON LOCATION FROM 6/6/08 TO 6/11/08 (6 DAYS).

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**06-13-2008** **Reported By** D.FOREMAN/J.SCHLENKER

| | | | | | |
|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $17,679 | **Completion** | $107,942 | **Daily Total** | $125,621 |
| **Cum Costs: Drilling** | $583,183 | **Completion** | $107,942 | **Well Total** | $691,125 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **MD** | 6,500 | **TVD** | 6,500 | **Progress** | 0 | **Days** | 8 | **MW** | 0.0 **Visc** 0.0 |

**Formation :** **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

**Activity at Report Time:** RDRT/WO COMPLETION

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 07:00 | 1.0 | RUN CASING TAG @ 6500' RAN 160 JTS + 1 MARKER JT & 1 PUP JT 11.6#, N80, LTC, AS FOLLOWS, FLOAT SHOE, 1 JT CSG, FLOAT COLLAR, 63 JTS. CSG, 1 MARKER JT, 96 JTS.CSG,1 PUP JT + HANGER ASS. FLOAT SHOE @ 6498', FLOAT COLLAR @ 6455', MARKER JT @ 3896', 12 CENTRALIZERS: 5 FT ABOVE SHOE,TOP OF JT #2 & EVERY 3RD JT TO 5205'. |

| | | | |
|---|---|---|---|
| 07:00 | 08:30 | 1.5 | LAY DOWN TAG JT, SPACE OUT HANGER, FILL CSG W/RIG PUMP, CIRC BOTTOMS UP & RIG DOWN WEATHERFORD, LAND CSG W/FULL STRING WT 66,000#. SAFETY MEETING W/SCHLUMBERGER & RIG CREW. |
| 08:30 | 09:30 | 1.0 | RIG UP SCHLUMBERGER. TEST LINES 5000 PSI, OKAY. |
| 09:30 | 10:30 | 1.0 | CEMENTING: PUMP 20 BBLS CHEM WASH & 20 BBLS WATER SPACER AHEAD OF LEAD AND CEMENT 6500' 4 1/2 N80 11.6# CSG. LEAD 240 SKS G + ADD. MIX D020 10.% EXTENDER, D167 .2% FLUID LOSS, D046. 2% ANTIFOAM, D013 .5% RETARDER, D065 .5% DISPERSANT, D130. .125LB/SK BLEND LOST CIRC. YIELD 2.98 CU FT/SK H20 18.227 GAL/SK @ 11.5.PPG. TAIL 790 SKS 50/50 POZ G + ADDS: D020 2% EXTENDER, D046 .1% ANTIFOAM, D167 .2% FLUID LOSS, DO65 .2% DISPERSANT, S001 1.% ACCELERATOR. YIELD 1.29 CUFT/SK H20 5.96 GAL/SK @ 14.1 PPG. SHUT DOWN WASH OUT PUMPS & LINES. DROP TOP PLUG & DISP TO FLOAT COLLER W/FRESH WATER, 101 BBLS. AVG DISP RATE 7 BPM, FULL RETURNS THROUGHOUT JOB. DROP PLUG @ 10:07. BUMPED PLUG @ 10:27 TO 2500 PSI. 1000 PSI OVER LIFT PSI @ 1500, HOLD PRESS FOR 2 MINS. 1 BBL BACK, FLOAT HELD @ 10:29 CEMENT IN PLACE. |
| 10:30 | 11:30 | 1.0 | W/O CEMENT & RIG DOWN LINES. |
| 11:30 | 12:00 | 0.5 | REMOVE CEMENT HEAD & L/D LANDING JT. |
| 12:00 | 13:00 | 1.0 | INSTALL PACKOFF SEAL ASSEMBLY, UNLOCK BOP DTO HEAD W/ FMC REP.L/D SERVICE TOOL. |
| 13:00 | 18:00 | 5.0 | CLEAN MUD TANKS & N/D BOP. |
| 18:00 | 06:00 | 12.0 | R/D & PREPARE FOR TRUCKS FOR 2.5 MILE RIG MOVE, SCHEDULED FOR 07:00 W/KHUR TRUCKING, RIG MAINT.<br><br>ADVISE DAVID HACKFORD & JAIME SPARGER @ 435-781-4502 OF BOP TEST. |
| 06:00 | 06:00 | 24.0 | RELEASE RIG @ 18:00 ON 6/12/2008<br>CASING POINT COST $583,183 |

**06-18-2008** **Reported By** SEARLE

| | | | | | |
|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $0 | **Completion** | $39,535 | **Daily Total** | $39,535 |
| **Cum Costs: Drilling** | $583,183 | **Completion** | $147,477 | **Well Total** | $730,660 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **MD** | 6,500 | **TVD** | 6,500 | **Progress** | 0 | **Days** | 9 | **MW** | 0.0 | **Visc** | 0.0 |

**Formation :** **PBTD :** 6456.0 **Perf :** **PKR Depth :** 0.0

**Activity at Report Time:** WO COMPLETION

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 06:00 | 24.0 | RU SCHLUMBERGER. RAN RST/CBL/VDL/GR/CCL FROM PBTD TO 50'. EST CEMENT TOP @ 310'. RD SCHLUMBERGER. WO COMPLETION. |

**06-26-2008** **Reported By** MCCURDY

| | | | | | |
|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $0 | **Completion** | $1,723 | **Daily Total** | $1,723 |
| **Cum Costs: Drilling** | $583,183 | **Completion** | $149,200 | **Well Total** | $732,383 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **MD** | 6,500 | **TVD** | 6,500 | **Progress** | 0 | **Days** | 10 | **MW** | 0.0 | **Visc** | 0.0 |

**Formation :** **PBTD :** 6456.0 **Perf :** **PKR Depth :** 0.0

**Activity at Report Time:** RUWL TO SET CIBP

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 06:00 | 24.0 | NU 10K FRAC TREE. PRESSURE TESTED TREE & CASING TO 6500 PSIG. HELD FOR 9 MIN & THEN DROPPED TO 5700 PSIG. SLOW LEAK OFF AFTER INTIAL DROP. SDFN. |

**06-27-2008** **Reported By** HISLOP

| | | | | | |
|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $0 | **Completion** | $4,899 | **Daily Total** | $4,899 |
| **Cum Costs: Drilling** | $583,183 | **Completion** | $154,100 | **Well Total** | $737,283 |

**MD** 6,500 **TVD** 6,500 **Progress** 0 **Days** 10 **MW** 0.0 **Visc** 0.0

**Formation :** **PBTD :** 6456.0 **Perf :** **PKR Depth :** 0.0

**Activity at Report Time:** TEST 4-1/2" CASING

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 06:00 | 24.0 | MIRU CUTTERS WIRELINE. SET 10K CIBP @ 6360'. POH. RDWL. SDFN. |

**06-28-2008** **Reported By** JOE VIGIL

**DailyCosts: Drilling** $0 **Completion** $1,723 **Daily Total** $1,723

**Cum Costs: Drilling** $583,183 **Completion** $155,823 **Well Total** $739,006

**MD** 6,500 **TVD** 6,500 **Progress** 0 **Days** 11 **MW** 0.0 **Visc** 0.0

**Formation :** **PBTD :** 6456.0 **Perf :** **PKR Depth :** 0.0

**Activity at Report Time:** PREP TO MIRUSU

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 06:00 | 24.0 | PRESSURE TESTED FRAC TREE & CASING TO 6500 PSIG. LOST 1000 PSIG IN 15 MIN. @ 10 MIN OPENED SURFACE CASING CAUSING 4-1/2" TO DROP AN ADDITIONAL 200 PSI. BLEW WELL DOWN. WO SERVICE UNIT. |

**07-03-2008** **Reported By** BAUSCH

**DailyCosts: Drilling** $0 **Completion** $3,348 **Daily Total** $3,348

**Cum Costs: Drilling** $583,183 **Completion** $159,171 **Well Total** $742,354

**MD** 6,500 **TVD** 6,500 **Progress** 0 **Days** 12 **MW** 0.0 **Visc** 0.0

**Formation :** **PBTD :** 6456.0 **Perf :** **PKR Depth :** 0.0

**Activity at Report Time:** MIRUSU. LOOK FOR LEAK.

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 14:00 | 18:00 | 4.0 | MIRUSU. ND FRAC VALVES. NU BOP. SDFN. |

**07-04-2008** **Reported By** BAUSCH

**DailyCosts: Drilling** $0 **Completion** $8,277 **Daily Total** $8,277

**Cum Costs: Drilling** $583,183 **Completion** $167,448 **Well Total** $750,631

**MD** 6,500 **TVD** 6,500 **Progress** 0 **Days** 13 **MW** 0.0 **Visc** 0.0

**Formation :** **PBTD :** 6360.0 **Perf :** **PKR Depth :** 0.0

**Activity at Report Time:** ISOLATE CSG LEAK

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 07:00 | 17:00 | 10.0 | RIH W/TENSION PKR. ISOLATED CSG LEAK BETWEEN 5282' TO 5387'. PKR FAILED. RELEASED PKR & LANDED TBG @ 5292' KB. ND BOP. NU TREE. RDMOSU. SI. |

TUBING DETAIL LENGTH

WEATHERFORD 4-1/2" 32A PKR 5.27' (NOT SET)
1 JT 2-3/8" 4.7# N-80 TBG 32.78'
XN NIPPLE 1.30'
162 JTS 2-3/8" 4.7# N-80 TBG 5238.57'
2-3/8" N-80 NIPPLE & COUPLING .60'
BELOW KB 13.00'
LANDED @ 5292.00' KB

**07-12-2008** **Reported By** BAUSCH

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $0 | **Completion** | $7,810 | **Daily Total** | $7,810 | | |
| **Cum Costs: Drilling** | $583,183 | **Completion** | $175,258 | **Well Total** | $758,441 | | |
| **MD** 6,500 | **TVD** 6,500 | **Progress** 0 | **Days** 14 | **MW** 0.0 | **Visc** 0.0 | | |
| **Formation :** | **PBTD :** 6360.0 | **Perf :** | | **PKR Depth :** 0.0 | | | |

**Activity at Report Time:** MIRUSU. FIND HOLE IN CSG.

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 07:00 | 18:30 | 11.5 | MIRUSU. ND WH. NU BOPE. POH W TBG. LD PKR. PU HD PKR. RIH. SET PKR @ 5282'. TEST TBG AND CSG TO 4000 PSIG. PKR WOULD NOT HOLD. MOVE PKR DN HOLE 90'. STILL WOULDN'T HOLD. POH 600'. RETEST TOOLS. PKR STILL LEAKED. UNSET PKR. POH. LD TOOLS. SIFWE. |

**07-15-2008** **Reported By** BAUSCH

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $0 | **Completion** | $6,729 | **Daily Total** | $6,729 | | |
| **Cum Costs: Drilling** | $583,183 | **Completion** | $181,987 | **Well Total** | $765,170 | | |
| **MD** 6,500 | **TVD** 6,500 | **Progress** 0 | **Days** 15 | **MW** 0.0 | **Visc** 0.0 | | |
| **Formation :** | **PBTD :** 6360.0 | **Perf :** | | **PKR Depth :** 0.0 | | | |

**Activity at Report Time:** ISOLATE CSG LEAK

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 07:00 | 18:00 | 11.0 | RIH W/4-1/2" HD PKR TO 4313'. SET & TESTED PKR. RELEASED & RIH. ATTEMPTED TO ISOLATE LEAK BETWEEN 5184' & 5509'. UNABLE TO LOCATE HOLE AFTER 21 PKR SETTINGS. RIH TO CIBP @ 6360'. TESTED BP TO 4000 PSIG. POH TO 5930'. PRESSURED BELOW PKR & WOULDN'T HOLE. PREP TO POH TO CHANGE TOOLS. SDFN. |

**07-16-2008** **Reported By** BAUSCH

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $0 | **Completion** | $9,315 | **Daily Total** | $9,315 | | |
| **Cum Costs: Drilling** | $583,183 | **Completion** | $191,302 | **Well Total** | $774,485 | | |
| **MD** 6,500 | **TVD** 6,500 | **Progress** 0 | **Days** 16 | **MW** 0.0 | **Visc** 0.0 | | |
| **Formation :** | **PBTD :** 6360.0 | **Perf :** | | **PKR Depth :** 0.0 | | | |

**Activity at Report Time:** PREP FOR FRAC

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 07:00 | 15:00 | 8.0 | POH TO 4993' & SET PKR. TESTED ANNULUS TO 4000 PSIG FOR 15 MIN. LOST 100 PSIG. TESTED BELOW PKR TO 4000 PSIG FOR 15 MIN. LOST 650 PSIG. RETEST ANNULUS TO 4000 PSIG FOR 15 MIN. LOST 40 PSIG. RELEASED PKR. POH, LD TBG. ND BOP. NU FRAC VALVES. RDMOSU. PREP FOR FRAC. |

**07-30-2008** **Reported By** HISLOP

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $0 | **Completion** | $375 | **Daily Total** | $375 | | |
| **Cum Costs: Drilling** | $583,183 | **Completion** | $191,677 | **Well Total** | $774,860 | | |
| **MD** 6,500 | **TVD** 6,500 | **Progress** 0 | **Days** 11 | **MW** 0.0 | **Visc** 0.0 | | |
| **Formation :** WASATCH | **PBTD :** 6456.0 | **Perf :** 5974 - 6233 | | **PKR Depth :** 0.0 | | | |

**Activity at Report Time:** FRAC

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 06:00 | 24.0 | RU CUTTERS WIRELINE & PERFORATE NORTH HORN/Ba FROM 5974'-75', 5988'-89', 6009'-10', 6026'-27', 6045'-46', 6054'-55', 6072'-73', 6096'-97', 6138'-39', 6166'-67', 6198'-99', 6232'-33' @ 3 SPF @ 120° PHASING. RDWL. SDFN. |

**07-31-2008** **Reported By** HISLOP

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $0 | **Completion** | $151,147 | **Daily Total** | $151,147 | | |
| **Cum Costs: Drilling** | $583,183 | **Completion** | $342,824 | **Well Total** | $926,007 | | |
| **MD** 6,500 | **TVD** 6,500 | **Progress** 0 | **Days** 12 | **MW** 0.0 | **Visc** 0.0 | | |

**Formation :** WASATCH **PBTD :** 6456.0 **Perf :** 5043' - 6233' **PKR Depth :** 0.0

**Activity at Report Time:** PREP TO MIRUSU

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 06:00 | 24.0 | SICP 100 PSIG. RU HALLIBURTON. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 8029 GAL LINEAR W/1# & 1.5# 20/40 SAND, 34679 GAL DELTA 200 W/123388# 20/40 SAND @ 1-4 PPG. MTP 5285 PSIG. MTR 46.2 BPM. ATP 3666 PSIG. ATR 43.4 BPM. ISIP 2389 PSIG. RD HALLIBURTON.<br><br>RUWL. SET CFP @ 5934'. PERFORATED Ba FROM 5603'-04', 5645'-46', 5694'-95', 5719'-20', 5742'-43', 5756'-57', 5760'-61', 5773'-74', 5843'-44', 5852'-53', 5886'-87', 5919'-20' @ 3 SPF & 120° PHASING. RDWL. RU HALLIBURTON. FRAC DOWN CASING WITH 7204 GAL LINEAR W/1# & 1.5# 20/40 SAND, 38272 GAL DELTA 200 W/123220# 20/40 SAND @ 1-4 PPG. MTP 4737 PSIG. MTR 43.6 BPM. ATP 3052 PSIG. ATR 38.7 BPM. ISIP 1774 PSIG. RD HALLIBURTON.<br><br>RUWL. SET CFP @ 5550'. PERFORATED Ca FROM 5358'-59', 5375'-77', 5383'-85', 5412'-13', 5438'-40', 5457'-60', 5506'-07' @ 3 SPF & 120° PHASING. RDWL. RU HALLIBURTON, FRAC DOWN CASING WITH. 7460 GAL LINEAR W/1# & 1.5# 20/40 SAND, 28367 GAL DELTA 200 W/98715 # 20/40 SAND @ 1-4 PPG. MTP 3011 PSIG. MTR 42.3 BPM. ATP 2329 PSIG. ATR 39.5 BPM. ISIP 1557 PSIG. RD HALLIBURTON.<br><br>RUWL. SET CFP @ 5340'. PERFORATED Ca FROM 5043'-44', 5064'-65', 5092'-93', 5106'-07', 5163'-64', 5200'-01', 5228'-29', 5245'-46', 5259'-60', 5280'-81', 5314'-16' @ 3 SPF & 120° PHASING. RDWL. RU HALLIBURTON. FRAC DOWN CASING WITH 7120 GAL LINEAR W/1# & 1.5# 20/40 SAND, 25173 GAL DELTA 200 W/94677# 20/40 SAND @ 1-4 PPG. MTP 6343 PSIG. MTR 46.5 BPM. ATP 3735 PSIG. ATR 38.4 BPM. ISIP 1726 PSIG RD HALLIBURTON.<br><br>RUWL. SET 6K CBP AT 4942'. RDWL. SDFN. |

**08-01-2008** **Reported By** HAL IVIE

| | | | | | |
|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $0 | **Completion** | $51,522 | **Daily Total** | $51,522 |
| **Cum Costs: Drilling** | $583,183 | **Completion** | $394,346 | **Well Total** | $977,529 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **MD** | 6,500 | **TVD** | 6,500 | **Progress** | 0 | **Days** | 13 | **MW** | 0.0 | **Visc** | 0.0 |

**Formation :** WASATCH **PBTD :** 6456.0 **Perf :** 5043' - 6233' **PKR Depth :** 0.0

**Activity at Report Time:** FLOW TEST

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 18:00 | 12.0 | MIRUSU ROYAL RIG # 1. ND FRAC TREE. NU BOP. RIH W/ BIT & PUMP OFF SUB TO 4942'. RU TO DRILL OUT PLUGS. CLEANED OUT & DRILLED OUT PLUGS @ 4942', 5340', 5550', 5934' RIH. CLEANED OUT TO PBTD @ 6419'. LANDED TBG AT 5131' KB. ND BOPE. NU TREE. PUMPED OFF BIT & SUB. RDMOSU.<br><br>FLOWED 13 HRS. 32/64" CHOKE. FTP 100 PSIG. CP 100 PSIG. 60 BFPH. RECOVERED 780 BLW. 3420 BLWTR.<br><br>TUBING DETAIL LENGTH<br><br>PUMP OFF SUB 1.00'<br>1 JT 2-3/8 4.7# YB N-80 TBG 32.84'<br>XN NIPPLE 1.10'<br>156 JTS 2-3/8 4.7#YB N-80 TBG 5083.09'<br>BELOW KB 13.00'<br>LANDED @ 5131.03' KB |

**08-02-2008** **Reported By** HAL IVIE

| | | | | | |
|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $0 | **Completion** | $2,525 | **Daily Total** | $2,525 |

**Cum Costs: Drilling** $583,183 **Completion** $396,871 **Well Total** $980,054

**MD** 6,500 **TVD** 6,500 **Progress** 0 **Days** 14 **MW** 0.0 **Visc** 0.0

**Formation :** WASATCH **PBTD :** 6456.0 **Perf :** 5043' – 6233' **PKR Depth :** 0.0

**Activity at Report Time:** FLOW TEST

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 06:00 | 24.0 | FLOWED 24 HRS. 32/64 CHOKE. FTP– 500 PSIG, CP– 1200 PSIG. 46 BFPH. RECOVERED 1107 BBLS, 2317 BLWTR. |

**08–03–2008 Reported By** HAL IVIE

**DailyCosts: Drilling** $0 **Completion** $2,525 **Daily Total** $2,525

**Cum Costs: Drilling** $583,183 **Completion** $399,396 **Well Total** $982,579

**MD** 6,500 **TVD** 6,500 **Progress** 0 **Days** 15 **MW** 0.0 **Visc** 0.0

**Formation :** WASATCH **PBTD :** 6456.0 **Perf :** 5043' – 6233' **PKR Depth :** 0.0

**Activity at Report Time:** FLOW TEST

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 06:00 | 24.0 | FLOWED 24 HRS. 32/64 CHOKE. FTP– 500 PSIG, CP– 1000 PSIG. 36 BFPH. RECOVERED 881 BBLS, 1432 BLWTR. |

**08–04–2008 Reported By** HAL IVIE

**DailyCosts: Drilling** $0 **Completion** $2,525 **Daily Total** $2,525

**Cum Costs: Drilling** $583,183 **Completion** $401,921 **Well Total** $985,104

**MD** 6,500 **TVD** 6,500 **Progress** 0 **Days** 16 **MW** 0.0 **Visc** 0.0

**Formation :** WASATCH **PBTD :** 6456.0 **Perf :** 5043' – 6233' **PKR Depth :** 0.0

**Activity at Report Time:** FLOW TEST

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 06:00 | 24.0 | FLOWED 24 HRS. 32/64" CHOKE. FTP 450 PSIG. CP 900 PSIG. 26 BFPH. RECOVERED 652 BLW. 780 BLWTR. |

**08–05–2008 Reported By** HAL IVIE

**DailyCosts: Drilling** $0 **Completion** $2,525 **Daily Total** $2,525

**Cum Costs: Drilling** $583,183 **Completion** $404,446 **Well Total** $987,629

**MD** 6,500 **TVD** 6,500 **Progress** 0 **Days** 17 **MW** 0.0 **Visc** 0.0

**Formation :** WASATCH **PBTD :** 6456.0 **Perf :** 5043' – 6233' **PKR Depth :** 0.0

**Activity at Report Time:** FLOW TEST. SHUT WELL IN @ 6AM, 8–5–08. WAIT ON PROD FACILITIES.

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 06:00 | 24.0 | FLOWED 24 HRS. 32/64 CHOKE. FTP–350 PSIG, CP– 800 PSIG. 17 BFPH. RECOVERED 410 BBLS, 370 BLWTR. SHUT WELL IN @ 6AM, 8–5–08. WO FACILITIES. |

FINAL COMPLETION DATE: 8/4/08

**08–27–2008 Reported By** DUANE COOK

**DailyCosts: Drilling** $0 **Completion** $0 **Daily Total** $0

**Cum Costs: Drilling** $583,183 **Completion** $404,446 **Well Total** $987,629

**MD** 6,500 **TVD** 6,500 **Progress** 0 **Days** 18 **MW** 0.0 **Visc** 0.0

**Formation :** WASATCH **PBTD :** 6456.0 **Perf :** 5043' – 6233' **PKR Depth :** 0.0

**Activity at Report Time:** INITIAL PRODUCTION

| Start | End | Hrs | Activity Description |
|---|---|---|---|

| | | | |
|---|---|---|---|
| 06:00 | 06:00 | 24.0 | INITIAL PRODUCTION- OPENING PRESSURE: TP 1750 PSIG & CP 1800 PSIG. TURNED WELL OVER TO QUESTAR SALES AT 12:30 HRS, 8/26/08. FLOWED 1987 MCFD RATE ON 14/64" CHOKE. STATIC 490. QGM METER #7843. |

**08-28-2008** **Reported By** ROGER DART

| | | | | | |
|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $0 | **Completion** | $0 | **Daily Total** | $0 |
| **Cum Costs: Drilling** | $583,183 | **Completion** | $404,446 | **Well Total** | $987,629 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **MD** | 6,500 | **TVD** | 6,500 | **Progress** | 0 | **Days** | 19 | **MW** | 0.0 **Visc** 0.0 |

**Formation :** WASATCH **PBTD :** 6456.0 **Perf :** 5043' - 6233' **PKR Depth :** 0.0

**Activity at Report Time:** ON SALES

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 06:00 | 24.0 | FLOWED 822 MCF, 5 BC & 140 BW IN 24 HRS ON 14/64" CHOKE, TP 1225 PSIG, CP 1600 PSIG. |

**08-29-2008** **Reported By** ROGER DART

| | | | | | |
|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $0 | **Completion** | $0 | **Daily Total** | $0 |
| **Cum Costs: Drilling** | $583,183 | **Completion** | $404,446 | **Well Total** | $987,629 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **MD** | 6,500 | **TVD** | 6,500 | **Progress** | 0 | **Days** | 20 | **MW** | 0.0 **Visc** 0.0 |

**Formation :** WASATCH **PBTD :** 6456.0 **Perf :** 5043' - 6233' **PKR Depth :** 0.0

**Activity at Report Time:** ON SALES

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 06:00 | 24.0 | FLOWED 742 MCF, 0 BC & 169 BW IN 24 HRS ON 14/64" CHOKE, TP 1225 PSIG, CP 1600 PSIG. |

**09-02-2008** **Reported By** ROGER DART

| | | | | | |
|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $0 | **Completion** | $0 | **Daily Total** | $0 |
| **Cum Costs: Drilling** | $583,183 | **Completion** | $404,446 | **Well Total** | $987,629 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **MD** | 6,500 | **TVD** | 6,500 | **Progress** | 0 | **Days** | 21 | **MW** | 0.0 **Visc** 0.0 |

**Formation :** WASATCH **PBTD :** 6456.0 **Perf :** 5043' - 6233' **PKR Depth :** 0.0

**Activity at Report Time:** ON SALES

| Start | End | Hrs | Activity Description |
|---|---|---|---|
| 06:00 | 06:00 | 24.0 | 08/30/08 - FLOWED 671 MCF, 1 BC & 195 BW IN 24 HRS ON 14/64" CHOKE, TP 1226 PSIG, CP 1600 PSIG.<br><br>08/31/08 - FLOWED 629 MCF, 3 BC & 140 BW IN 24 HRS ON 14/64" CHOKE, TP 1050 PSIG, CP 1400 PSIG.<br><br>09/01/08 - FLOWED 608 MCF, 0 BC & 155 BW IN 24 HRS ON 14/64" CHOKE, TP 1025 PSIG, CP 1400 PSIG.<br><br>09/02/08 - FLOWED 589 MCF, 5 BC & 150 BW IN 24 HRS ON 14/64" CHOKE, TP 1000 PSIG, CP 1400 PSIG. |

| | | | | | |
|---|---|---|---|---|---|
| **Event No** | 2.0 | **Description** | | | |
| **Operator** | EOG RESOURCES, INC | **WI %** | 100.0 | **NRI %** | 82.5 |

**Reported By**

| | | | | | |
|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $0 | **Completion** | $0 | **Daily Total** | $0 |
| **Cum Costs: Drilling** | $0 | **Completion** | $0 | **Well Total** | $0 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **MD** | 0 | **TVD** | 0 | **Progress** | 0 | **Days** | 0 | **MW** | 0.0 **Visc** 0.0 |

**Formation :** **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

**Activity at Report Time:**

| Start | End | Hrs | Activity Description |
|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| **Event No** | 3.0 | **Description** | | | |
| **Operator** | EOG RESOURCES, INC | **WI %** | 100.0 | **NRI %** | 82.5 |

**Reported By**

| | | | | | |
|---|---|---|---|---|---|
| **DailyCosts: Drilling** | $0 | **Completion** | $0 | **Daily Total** | $0 |
| **Cum Costs: Drilling** | $0 | **Completion** | $0 | **Well Total** | $0 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **MD** | 0 | **TVD** | 0 | **Progress** | 0 | **Days** | 0 | **MW** | 0.0 | **Visc** | 0.0 |

**Formation :** **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

**Activity at Report Time:**

| Start | End | Hrs | Activity Description |
|---|---|---|---|

FORM 9

**STATE OF UTAH**
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-3355

# SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: Chapita Wells Unit

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Chapita Wells Unit 722-32

2. NAME OF OPERATOR: EOG Resources, Inc.

9. API NUMBER: 43-047-38862

3. ADDRESS OF OPERATOR: 1060 East Highway 40 Vernal UT 84078

PHONE NUMBER: (435) 789-0790

10. FIELD AND POOL, OR WILDCAT: Natural Buttes/Wasatch

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2071' FSL & 713' FEL 39.990914 LAT 109.343875 LON

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 32 9S 23E S.L.B. & M.

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|---|
| ☐ NOTICE OF INTENT (Submit in Duplicate) | ☐ ACIDIZE | ☐ DEEPEN | ☐ REPERFORATE CURRENT FORMATION |
| Approximate date work will start: _____ | ☐ ALTER CASING | ☐ FRACTURE TREAT | ☐ SIDETRACK TO REPAIR WELL |
| | ☐ CASING REPAIR | ☐ NEW CONSTRUCTION | ☐ TEMPORARILY ABANDON |
| | ☐ CHANGE TO PREVIOUS PLANS | ☐ OPERATOR CHANGE | ☐ TUBING REPAIR |
| | ☐ CHANGE TUBING | ☐ PLUG AND ABANDON | ☐ VENT OR FLARE |
| ☑ SUBSEQUENT REPORT (Submit Original Form Only) | ☐ CHANGE WELL NAME | ☐ PLUG BACK | ☐ WATER DISPOSAL |
| Date of work completion: | ☐ CHANGE WELL STATUS | ☐ PRODUCTION (START/RESUME) | ☐ WATER SHUT-OFF |
| | ☐ COMMINGLE PRODUCING FORMATIONS | ☐ RECLAMATION OF WELL SITE | ☑ OTHER: Site Facility Diagram |
| _____ | ☐ CONVERT WELL TYPE | ☐ RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Attached please find a site facility diagram.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

NAME (PLEASE PRINT) Mickenzie Thacker TITLE Operations Clerk

SIGNATURE Mickenzie Thacker DATE 9/19/2008

RECEIVED
Sept. 24 2008
DIV. OF OIL, GAS & MINING

(This space for State use only)

(5/2000) (See Instructions on Reverse Side)

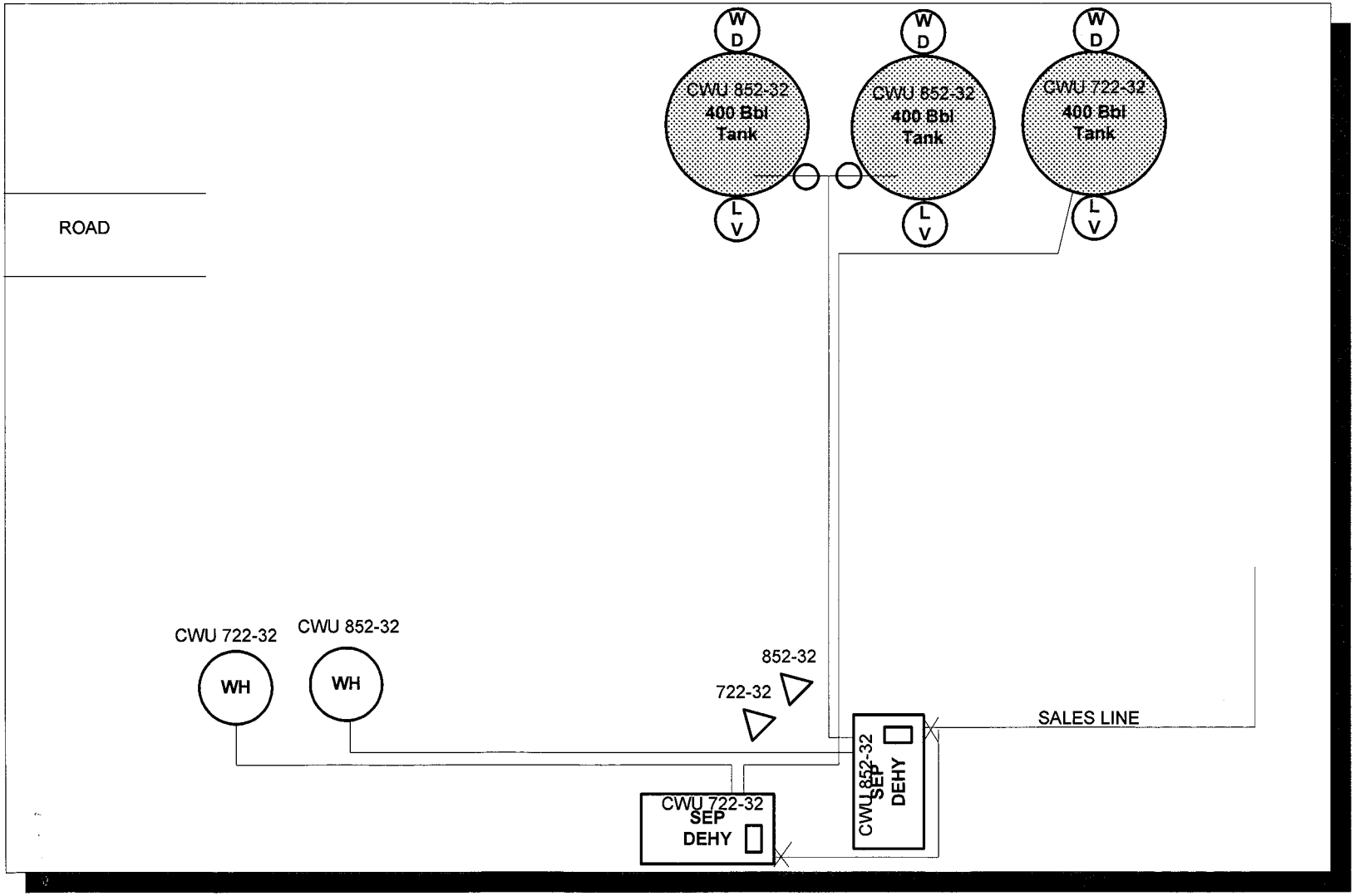
# eog resources
## Site Facility Diagram

**Well Name:CHAPITA WELLS UNIT 722-32**
**1/4 1/4:NE/SE Sec:32 T:9S R:23E**
**County:UINTAH State:UTAH**
**Lease: ML-3355**
**UNIT\PA#: 892000905ABDEFGHIJKLNP**

Site facility diagrams & site security plans are located at the Vernal office in Vernal, Utah. The office is located at 1060 East Hwy 40 and normal business hours are 7:00 a.m. to 4:30 p.m. Mon -Thurs and 7:00 a.m. to 1:00 p.m. fridays.

| Valve | Production Phase | Sales Phase | Water Drain |
|---|---|---|---|
| PV | O | SC | SC |
| LV | SC | O | SC |
| WD | SC | SC | O |

DATED 9/19/2008




## Abbreviations

AM= Allocation Meter
AR = Access Road
CHT = Chemical Tank
COMP = Compressor
CON = Condensor
CT = Condensate Tank
DL = Dump Line
EP = Electrical Panel
ET = Emergency Tank
FW = Firewall
LACT = LACT Unit
LH = Line Heater
LV = Load Valve
MAN = Manifold
MB = Methanol Bath
O = Open
PL = Production Line
PP = Power Pole
PT = Propane Tank
PU = Pumping Unit
PV = Production Valve
PW = Produced Water
RL = Recycle Line
RP = Recycle Pump
RV = Recycle Valve
SC = Sealed Closed
SGS = Sales Gas Scrubber
SL = Sales Line
SM = Sales Meter
SO = Sealed Open
SP = Separator
SV = Sales Valve
T = Treater
TP = Trace Pump
WD = Water Drain
WDP = Water Disposal Pump
WFP = Water Flood Pump
WH = Wellhead

---------- = Buried Line
_____ = Unburied Line
= Meter Display
= Meter Tube
= Production Valve
= Valve

**STATE OF UTAH**
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ (highlight changes) FORM 8

# WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-3355
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT or CA AGREEMENT NAME: Chapita Wells Unit
8. WELL NAME and NUMBER: Chapita Wells Unit 722-32
9. API NUMBER: 43-047-38862
10 FIELD AND POOL, OR WILDCAT: Natural Buttes/Wasatch

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ DRY ☐ OTHER
b. TYPE OF WORK: NEW WELL ☑ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER

2. NAME OF OPERATOR: EOG Resources, Inc.

3. ADDRESS OF OPERATOR: 600 17th St., Suite 1000N CITY Denver STATE CO ZIP 80202
PHONE NUMBER: (303) 824-5526

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 2071' FSL & 713' FEL 39.990914 LAT 109.343875 LON
AT TOP PRODUCING INTERVAL REPORTED BELOW: Same
AT TOTAL DEPTH: Same

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 32 9S 23E S
12. COUNTY: Uintah
13. STATE: UTAH

14. DATE SPUDDED: 5/12/2008
15. DATE T.D. REACHED: 6/11/2008
16. DATE COMPLETED: 8/26/2008 ABANDONED ☐ READY TO PRODUCE ☑
17. ELEVATIONS (DF, RKB, RT, GL): 5202' NAT GL

18. TOTAL DEPTH: MD 6,500 TVD
19. PLUG BACK T.D.: MD 6,456 TVD
20. IF MULTIPLE COMPLETIONS, HOW MANY? *
21. DEPTH BRIDGE PLUG SET: MD TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
RST/CBL/CCL/VDL/GR, Temp

23.
WAS WELL CORED? NO ☑ YES ☐ (Submit analysis)
WAS DST RUN? NO ☑ YES ☐ (Submit report)
DIRECTIONAL SURVEY? NO ☑ YES ☐ (Submit copy)

**24. CASING AND LINER RECORD (Report all strings set in well)**

| HOLE SIZE | SIZE/GRADE | WEIGHT (#/ft.) | TOP (MD) | BOTTOM (MD) | STAGE CEMENTER DEPTH | CEMENT TYPE & NO. OF SACKS | SLURRY VOLUME (BBL) | CEMENT TOP ** | AMOUNT PULLED |
|---|---|---|---|---|---|---|---|---|---|
| 12-1/4 | 9-5/8 J-55 | 36.0 | 0 | 2,221 | | 1250 | | | |
| 7-7/8 | 4-1/2 N-80 | 11.6 | 0 | 6,498 | | 1030 | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

**25. TUBING RECORD**

| SIZE | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) |
|---|---|---|---|---|---|---|---|---|
| 2-3/8 | 5,131 | | | | | | | |

**26. PRODUCING INTERVALS**

| FORMATION NAME | TOP (MD) | BOTTOM (MD) | TOP (TVD) | BOTTOM (TVD) |
|---|---|---|---|---|
| (A) Wasatch | 5,043 | 6,233 | | |
| (B) | | | | |
| (C) | | | | |
| (D) | | | | |

**27. PERFORATION RECORD** 5043

| INTERVAL (Top/Bot - MD) | SIZE | NO. HOLES | PERFORATION STATUS |
|---|---|---|---|
| 5,974 6,233 | | 3 | Open ☐ Squeezed ☐ |
| 5,603 5,920 | | 3 | Open ☐ Squeezed ☐ |
| 5,358 5,507 | | 3 | Open ☐ Squeezed ☐ |
| 5,043 5,316 | | 3 | Open ☐ Squeezed ☐ |

**28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.**

| DEPTH INTERVAL | AMOUNT AND TYPE OF MATERIAL |
|---|---|
| 5974-6233 | 42,873 GALS GELLED WATER & 123,388# 20/40 SAND |
| 5603-5920 | 45,476 GALS GELLED WATER & 123,220# 20/40 SAND |
| 5358-5507 | 35,827 GALS GELLED WATER & 98,715# 20/40 SAND |

**29. ENCLOSED ATTACHMENTS:**
☐ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER:

**30. WELL STATUS:** Producing

RECEIVED
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(5/2000)

(CONTINUED ON BACK)

**31. INITIAL PRODUCTION** — **INTERVAL A (As shown in item #26)**

| DATE FIRST PRODUCED: | TEST DATE: | HOURS TESTED: | TEST PRODUCTION RATES: → | OIL – BBL: | GAS – MCF: | WATER – BBL: | PROD. METHOD: |
|---|---|---|---|---|---|---|---|
| 8/26/2008 | 9/2/2008 | 24 | | 5 | 589 | 150 | Flows |

| CHOKE SIZE: | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU – GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL – BBL: | GAS – MCF: | WATER – BBL: | INTERVAL STATUS: |
|---|---|---|---|---|---|---|---|---|---|---|
| 14/64" | 1,000 | 1,400 | | | | | 5 | 589 | 150 | Producing |

**INTERVAL B (As shown in item #26)**

| DATE FIRST PRODUCED: | TEST DATE: | HOURS TESTED: | TEST PRODUCTION RATES: → | OIL – BBL: | GAS – MCF: | WATER – BBL: | PROD. METHOD: |
|---|---|---|---|---|---|---|---|
| | | | | | | | |

| CHOKE SIZE: | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU – GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL – BBL: | GAS – MCF: | WATER – BBL: | INTERVAL STATUS: |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | |

**INTERVAL C (As shown in item #26)**

| DATE FIRST PRODUCED: | TEST DATE: | HOURS TESTED: | TEST PRODUCTION RATES: → | OIL – BBL: | GAS – MCF: | WATER – BBL: | PROD. METHOD: |
|---|---|---|---|---|---|---|---|
| | | | | | | | |

| CHOKE SIZE: | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU – GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL – BBL: | GAS – MCF: | WATER – BBL: | INTERVAL STATUS: |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | |

**INTERVAL D (As shown in item #26)**

| DATE FIRST PRODUCED: | TEST DATE: | HOURS TESTED: | TEST PRODUCTION RATES: → | OIL – BBL: | GAS – MCF: | WATER – BBL: | PROD. METHOD: |
|---|---|---|---|---|---|---|---|
| | | | | | | | |

| CHOKE SIZE: | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU – GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL – BBL: | GAS – MCF: | WATER – BBL: | INTERVAL STATUS: |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | |

**32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)**

Sold

**33. SUMMARY OF POROUS ZONES (Include Aquifers):**

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

**34. FORMATION (Log) MARKERS:**

| Formation | Top (MD) | Bottom (MD) | Descriptions, Contents, etc. | Name | Top (Measured Depth) |
|---|---|---|---|---|---|
| Wasatch | 5,043 | 6,233 | | Green River | 1,428 |
| | | | | Mahogany | 2,032 |
| | | | | Uteland Butte | 4,178 |
| | | | | Wasatch | 4,282 |
| | | | | Chapita Wells | 4,838 |
| | | | | Buck Canyon | 5,530 |
| | | | | Price River | 6,340 |

**35. ADDITIONAL REMARKS (Include plugging procedure)**

See attached page for additional information.

**36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.**

NAME (PLEASE PRINT) Mary A. Maestas TITLE Regulatory Assistant

SIGNATURE Mary A. Maestas DATE 9/26/2008

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

(5/2000)

***Chapita Wells Unit 722-32*** – ADDITIONAL REMARKS (CONTINUED):

**28. ACID, FRACTURE TREATMENT, CEMENT SQUEEZE, ETC.**

| | |
|---|---|
| 5043-5316 | 32,293 GALS GELLED WATER & 94,677# 20/40 SAND |

Perforated the North Horn/Ba from 5974-75', 5988-89', 6009-10', 6026-27', 6045-46', 6054-55', 6072-73', 6096-97', 6138-39', 6166-67', 6198-99', 6232-33' w/ 3 spf.

Perforated the Ba from 5603-04', 5645-46', 5694-95', 5719-20', 5742-43', 5756-57', 5760-61', 5773-74', 5843-44', 5852-53', 5886-87', 5919-20' w/ 3 spf.

Perforated the Ca from 5358-59', 5375-77', 5383-85', 5412-13', 5438-40', 5457-60', 5506-07' w/ 3 spf.

Perforated the Ca from 5043-44', 5064-65', 5092-93', 5106-07', 5163-64', 5200-01', 5228-29', 5245-46', 5259-60', 5280-81', 5314-16' w/ 3 spf.

**STATE OF UTAH**
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 7

# REPORT OF WATER ENCOUNTERED DURING DRILLING

Well name and number: CWU 722-32

API number: 4304738862

Well Location: QQ NESE Section 32 Township 9S Range 23E County UINTAH

Well operator: EOG

Address: 1060 E HWY 40

city VERNAL state UT zip 84078 Phone: (435) 781-9111

Drilling contractor: ASPEN DRILLING

Address: 560 S. COMMERCIAL DR. UNIT #1

city GRAND JUNCTION state CO zip 81505 Phone: (970) 242-9592

Water encountered (attach additional pages as needed):

| DEPTH | | VOLUME | QUALITY |
|---|---|---|---|
| FROM | TO | (FLOW RATE OR HEAD) | (FRESH OR SALTY) |
| | | NO WATER | DRILLED WITH FULID |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Formation tops: (Top to Bottom)

1 _____ 2 _____ 3 _____

4 _____ 5 _____ 6 _____

7 _____ 8 _____ 9 _____

10 _____ 11 _____ 12 _____

If an analysis has been made of the water encountered, please attach a copy of the report to this form.

**I hereby certify that this report is true and complete to the best of my knowledge.**

NAME (PLEASE PRINT) Mary A. Maestas TITLE Regulatory Assistant

SIGNATURE Mary A. Maestas DATE 9/26/2008

(5/2000)

# United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
http://www.blm.gov/ut/st/en.html

TAKE PRIDE IN AMERICA

IN REPLY REFER TO
3180
UT-922

July 7, 2009

Debbie Spears
EOG Resources, Inc.
600 17th Street, Suite 1000N
Denver, Colorado 80202

Re: Consolidated Wasatch Formation PA "H, J"
Chapita Wells Unit
Uintah County, Utah

Dear Ms. Spears:

The Consolidated Wasatch Formation PA "H, J", Chapita Wells Unit, CRS No. UTU63013BK, AFS No. 892000905BK, is hereby approved effective as of August 1, 2008, pursuant to Section 11 of the Chapita Wells Unit Agreement, Uintah County, Utah.

The Consolidated Wasatch Formation PA "H, J" results in an initial consolidated participating area of 640.00 acres and is based upon the completion of the following wells as capable of producing unitized substances in paying quantities.

To: 15871

| WELL NO. | API NO. | LOCATION | LEASE NO. | |
|---|---|---|---|---|
| CWU 722-32 | 43-047-38862 | NE¼SE¼, 32-9S-23E | STATE | from 16862 |
| CWU 732-32 | 43-047-39599 | NE¼SW¼, 32-9S-23E | STATE | 16899 |

Copies of the approved request are being distributed to the appropriate agencies and one copy is returned herewith. Please advise all interested parties of the approval of the Consolidated Wasatch Formation PA "H, J", Chapita Wells Unit, and the effective date.

ALSO: from 16555
4304739199 CWU 699-32 *
4304739216 CWU 698-32 *
*ALSO IN Sec 32 9S 23E

Also from 16555
*4304737494 CWU 689-3
*4304739056 CWU 719-3

Sincerely,

/s/ Becky J. Hammond

Becky J. Hammond
Chief, Branch of Fluid Minerals

Enclosure

RECEIVED
JUL 13 2009
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

# ENTITY ACTION FORM

Operator: EOG Resources, Inc.
Operator Account Number: N 9550
Address: 1060 East Highway 40
city Vernal
state UT zip 84078
Phone Number: (435) 781-9145

**Well 1**

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|---|---|---|---|---|---|---|---|
| 43-047-38067 | CHAPITA WELLS UNIT 1238-22 | | SWNE | 22 | 9S | 23E | UINTAH |
| **Action Code** | **Current Entity Number** | **New Entity Number** | **Spud Date** | | | **Entity Assignment Effective Date** | |
| A | 16961 | 13650 | 6/16/2008 | | | 7/1/2008 | |

**Comments:** MESAVERDE — 7/30/09

**Well 2**

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|---|---|---|---|---|---|---|---|
| 43-047-38608 | CHAPITA WELLS UNIT 1096-22 | | SWSE | 22 | 9S | 23E | UINTAH |
| **Action Code** | **Current Entity Number** | **New Entity Number** | **Spud Date** | | | **Entity Assignment Effective Date** | |
| A | 16935 | 13650 | 6/21/2008 | | | 8/1/2008 | |

**Comments:** MESAVERDE — 7/30/09

**Well 3**

| API Number | Well Name | | QQ | Sec | Twp | Rng | County |
|---|---|---|---|---|---|---|---|
| 43-047-38862 | CHAPITA WELLS UNIT 722-32 | | NESE | 32 | 9S | 23E | UINTAH |
| **Action Code** | **Current Entity Number** | **New Entity Number** | **Spud Date** | | | **Entity Assignment Effective Date** | |
| A | 16862 | 15871 | 5/12/2008 | | | 8/1/2008 | |

**Comments:** WASATCH — 7/30/09

**ACTION CODES:**

- **A** - Establish new entity for new well (single well only)
- **B** - Add new well to existing entity (group or unit well)
- **C** - Re-assign well from one existing entity to another existing entity
- **D** - Re-assign well from one existing entity to a new entity
- **E** - Other (Explain in 'comments' section)

Mickenzie Thacker
**Name (Please Print)**
Mickenzie Thacker
**Signature**
Operations Clerk
**Title**
7/30/2009
**Date**

RECEIVED
JUL 30 2009
DIV. OF OIL, GAS & MINING

(5/2000)

# United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
http://www.blm.gov/ut/st/en.html

TAKE PRIDE IN AMERICA

IN REPLY REFER TO
3180
UT-922

July 24, 2009

Debbie Spears
EOG Resources, Inc.
600 17th Street, Suite 1000N
Denver, Colorado 80202

Re: Initial Consolidated Wasatch Formation PA "A-H, J"
Chapita Wells Unit
Uintah County, Utah

Dear Ms. Spears:

The Initial Consolidated Wasatch Formation PA "A-H, J", Chapita Wells Unit, CRS No. UTU63013BM, AFS No. 892000905BM, is hereby approved effective as of September 1, 2008, pursuant to Section 11 of the Chapita Wells Unit Agreement, Uintah County, Utah.

The Initial Consolidated Wasatch Formation PA "A-H, J" results in an initial consolidated participating area of 15,904.22 acres and is based upon the completion of the following wells as capable of producing unitized substances in paying quantities.

to 4905

| WELL NO. | API NO. | LOCATION | LEASE NO. | from |
|---|---|---|---|---|
| CWU 731-32 | 43-047-39582 | NE¼NW¼, 32-9S-23E | STATE | 16896 |
| CWU 717-7 | 43-047-39055 | SE¼SW¼, 7-9S-23E | UTU0343 | 16948 |
| CWU 1229-7 | 43-047-38113 | NE¼NE¼, 7-9S-23E | UTU0343 | 16934 |

Copies of the approved request are being distributed to the appropriate agencies and one copy is returned herewith. Please advise all interested parties of the approval of the Initial Consolidated Wasatch Formation PA "A-H J", Chapita Wells Unit, and the effective date.

Also entity 15871 to 4905

| | API | WELL NAME | QTR/QTR | SEC | TWP | RNG |
|---|---|---|---|---|---|---|
| ✓ | 4304737415 | CWU 695-32 | SWNE | 32 | 090S | 230E |
| ✓ | 4304737494 | CWU 689-33 | NESW | 33 | 090S | 230E |
| ✓ | 4304738862 | CWU 722-32 | NESE | 32 | 090S | 230E |
| | 4304739056 | CWU 719-33 | SWSW | 33 | 090S | 230E |
| | 4304739197 | CWU 697-32 | SWNW | 32 | 090S | 230E |
| | 4304739199 | CWU 699-32 | SWSW | 32 | 090S | 230E |
| ✓ | 4304739216 | CWU 698-32 | SWSE | 32 | 090S | 230E |
| ✓ | 4304739599 | CWU 732-32 | NESW | 32 | 090S | 230E |

Sincerely,

/s/ Terry Catlin

Terry Catlin
Acting Chief, Branch of Fluid Minerals

RECEIVED
JUL 29 2009
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

# ENTITY ACTION FORM

Operator: EOG Resources, Inc.
Operator Account Number: N 9550
Address: 1060 East Highway 40
city Vernal
state UT zip 84078
Phone Number: (435) 781-9145

**Well 1**

| API Number | Well Name | QQ | Sec | Twp | Rng | County |
|---|---|---|---|---|---|---|
| 43-047-38862 | CHAPITA WELLS UNIT 722-32 | NESE | 32 | 9S | 23E | UINTAH |

| Action Code | Current Entity Number | New Entity Number | Spud Date | Entity Assignment Effective Date |
|---|---|---|---|---|
| C | 15871 | 4905 | 5/12/2008 | 9/1/2008 |

Comments: WASATCH — 8/24/09

**Well 2**

| API Number | Well Name | QQ | Sec | Twp | Rng | County |
|---|---|---|---|---|---|---|
| 43-047-39599 | CHAPITA WELLS UNIT 732-32 | NESW | 32 | 9S | 23E | UINTAH |

| Action Code | Current Entity Number | New Entity Number | Spud Date | Entity Assignment Effective Date |
|---|---|---|---|---|
| C | 15871 | 4905 | 6/5/2008 | 9/1/2008 |

Comments: WASATCH — 8/24/09

**Well 3**

| API Number | Well Name | QQ | Sec | Twp | Rng | County |
|---|---|---|---|---|---|---|
| | | | | | | |

| Action Code | Current Entity Number | New Entity Number | Spud Date | Entity Assignment Effective Date |
|---|---|---|---|---|
| | | | | |

Comments:

**ACTION CODES:**

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Mickenzie Thacker
Name (Please Print)
Signature
Operations Clerk
Title
8/20/2009
Date

RECEIVED
AUG 19 2009
DIV. OF OIL, GAS & MINING

(5/2000)